ECONOMIC SURVEY OF THE MUSLIM COUNTRIES

BY

S. S. FATIMI

MAJLIS-I-TAHQIQAT-I-ISLAMI
ISLAMABAD PAKISTAN

1

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S. S. FATIMI

Preface by

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PREFATORY NOTE

Territorial changes

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariate of the "Majlis-i-Tahqiqat-i-Islami" concerning the legal status of any country or territory or of its authorities, or concerning the delimitation of its frontiers.

DEDICATED

TO

THE CHAIRMAN

SECOND ISLAMIC SUMMIT CONFERENCE

&

ARCHITECT OF MUSLIM UNITY

MR. ZULFIKAR ALI BHUTTO

PRIME MINISTER OF PAKISTAN

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ACKNOWLEDGEMENT

Care has been taken to avoid errors but if any inaccuracies and shortcomings are detected in the book, they may kindly be overlooked as these are, in a book of this kind, rather unavoidable.

I take this opportunity of expressing my deep sense of gratitude to Dr. Moinuddin Baqai, for his many preoccupations, he has been kind enough to go through the pages of the book and make very valuable suggestions.

I also feel great pleasure in expressing my sincere thanks to my friend Professor Dr. Riazul Islam, to whose encouragement, guidance and help this book owes a lot. My acknowledgement will indeed be incomplete if I do not express my thanks to another dear colleague of mine, Dr. M.S.H. Siddiqi, Chairman, PCSIR, whose practical help has all along been there.

Now the book has been completely brought up-to-date. Besides all the facts and figures in the Servey, new statistics and statements issued till December, 74 have been, as far as humanly possible, incorporated.

I wish to express my sincere gratitude to Mr. Nasim Ahmed, Secretary, Ministry of Information and Broadcasting, for the assistance given by him in the publication of this Survey.

I am greatly indebted to *Bhayya* Mohiuddin. I also received much help from Professor Dr. Nawab Haider Naqvi, Head of the Department of Economics, Quaid-e-Azam University,

Islamabad, and from fellow journalist Mr. Sabih Mohsin of P.B.C. I am also thankful to the Majlis-i-Tahqiqat-i Islami which provided the fuel for the several stages of this project. The assistance from my wife Hasin in preparing the draft will add much to whatever pleasure the reader may derive from going through the following pages; however, all of the individuals mentioned here will be relieved to see that I accept the customary responsibility for any remaining errors that might have gone unchecked.

The Majlis-i-Tahqiqat-i-Islami has decided to observe the Quaid-i-Azam Centenary by publishing "Economic Survey of the Muslim Countries." Quaid-i-Azam Mohammad Ali Jinnah laid the foundations of this great Muslim country of the World. But it is a matter of deep sorrow that we became victims of an international consipiracy and also of incapable leadership. Now our country is not as big as its Founder had given us, yet if we even now act according to the teachings of the Quaid-i-Azam and rally under the leadership of Mr. Z. A. Bhutto, we can again emerge as a big nation of Muslims. This book is a humble contribution of the Majlis-i-Tahqiqat-i-Islami towards achieving this goal

S. S. F.

PREFACE

Pakistani Muslims have always been in the vanguard of Muslim unity movement. They were motivated by a vision of close affinity with the Muslim world even in the days when they were still struggling for their own independence. Since then the basic spirit of kinship with the Islamic world has found various manifestations.

This basic urge for a close identification with the Muslims living in the vast region between South Asia and Europe while ingrained in the Pakistani mind required to be given a concrete shape and chanelled in a constructive direction. The Islamic Summit Conference held at Lahore, would prove a watershed in Pakistan's history. It helped the Muslim world forge a new basis of unity. But more important it allowed an average Pakistani to feel, to observe and to understand the full significance of his belonging to a large world. This has been an element in overcoming the crisis of identity which Pakistan faced immediately after the events culminating in the tragedy of December, 1971.

There is a new urge to know and understand what the nature of this wider Islamic world is? What are its problems and potential? What are the latest trends in different facets of social economic and political life? A new demand has emerged for writing about these countries.

It is a sad commentary on our recent past that in none of the Muslim countries much literature is available about developments in other Muslim countries. Most of the information is obtained from international compilations or from Western writers

with an inadequate understanding and less than fully sympathetic view regarding the institutions in those countries.

Mr. Fatimi has done a good job in compiling basic economic data and a review of latest economic developments of about 36 Muslim countries. Such a compilation is not by itself an addition to literature. Economic Survey of the Muslim Countries is a source of reference and thus an aid to further writing and research about the Muslim countries.

The Economic Survey of the Muslim Countries would be useful for research workers, government officials and students of international economics.

For the Islamic countries the story of economic and agricultural potential and development has never been told as a whole, and the purpose of the present short account is to draw attention to this neglected aspect. Agriculture is the mainstay of life in these countries generally and as such particular emphasis has been laid on the state of agriculture in each country.

Mr. Fatimi is known for his contribution towards research in agricultural economics. I think the reader will agree, he has drawn a serious protrait of the Muslim countries with journalistic insight and analytical capability which combined help the survey a good reference document.

(Dr. Moinuddin Baqai)
Econmic Adviser to the
Government of Pakisran.

Islamabad
May 5, 1974.

INTRODUCTION

Adequate economic data relating to most of the countries are not available. The economic data available from all sources are too scanty to form the basis of a considered survey. However, all the possible available sources in Pakistan were tapped for this purpose.

The pattern of the Muslim countries' economy is markedly wanting in diversification. The Muslim countries derive the greatest part of their national income from agriculture and the production of primary raw materials. Industry plays a minor part in their economies and engages only a small fraction of the active population. The agrarian structure, which constitutes the basis of agricultural economy, rests mostly on a system of land tenure characterised by a high degree of concentration of land ownership in a limited group of large owners. This together with the use of obsolete implements, antiquated methods, and the physical deficiencies and high incidence of disease attendant on a low standard of nutrition result in a low level of prductivity and per capita income. The standard of living of the rural population as a whole is at the barest subsistence level.

In spite of the high death rate, the population is growing rapidly. The rapid growth of population has exceeded the pace of economic development thereby increasing the pressure on existing resources and causing further deterioration in the standards of living.

The potentialities of agricultural development of land are determined to a large extent by available water resources. The major rivers of the region - the Nile, Euphrates, Tigris, Karum, Jordan, Orontes, Litani and Indus offer vast possibilities for irrigation schemes as well as for the generation of electricity. Since rain fall provides only a fraction of total water requirements of agriculture, the agricultural capacity of the

countries of the area is mainly dependent on irrigation. Despite a particularly advanced and efficient irrigation system, based on the Nile, has steadily extended the area of cultivation in Egypt, there is still room for further development. However this would require increased supplies of water and fairly large capital outlays in view of the necessity of utilizing hyderaulic resources of the upper reaches of the Nile. The Euphrates, which crosses the borders of Turkey, Syria and Iraq, offers possibilities for large-scale irrigation schemes. However, an efficient use of river water for this purpose must be coupled with a system of flood control. The Habaniyah project, studied for some time by the Government of Iraq, is intended to achieve these purposes of controlling the river and using its water for extending the irrigated areas. There are also projects for irrigation and hydraulic schemes connected with the Jordan river involving the countries through which that river and its tributaries run, namely Lebanon, Syria, Palestine and Jordan. Irrigation plays a prominent role in Pakistan's economy. The country has the world's largest irrigatian schemes in Sukhur where a dam acress the Indus helps to supply water to seven canals, which have a total length of about 50,000 miles. Pakistan has other several important irrigation projects.

There is some confusion about the number of Muslim Countries, their population, production, exports and imports. According to one count these are about 36 with an estimated population of 600 million. These are rich in crude petroleum, agricultural resources, especially textile and hard fibres, edible oils and oilseeds, forest products and fisheries. However, these have not yet been fully exploited. These countries are also rich in minerals.

Technologically Muslim Countries are backward and the process of industrialization is still in early stages. Most of the industries are simple, and industrial production is still about 20 per cent of their total GNP. The oil-rich countries are short

of manpower while the countries with thick population are short on capital. Technologically both are backward.

The Muslim world exports mainly crude petroleum, raw rubber, tin, cotton, jute and other fibres, oilseeds and edible oils, crude fertilizer, chemical fertilizer, diamonds, gum arabic and a large number of other primary commodities. A beginning has also been made in the export of simple manufactured goods like jute goods, cotton textiles, woollen manufactures especially carpets, chemicals especially dyes and colours, drugs and medicines. Some products of small scale and cottage industries are also exported.

Imports consists of food items, especially cereals, sugar, animal by-products including milk, meat, and manufactured food items. The Muslim world imports all types of manufactured goods, especially capital goods and raw materials for such goods. Capital goods are abouts 75 per cent of their total imports.

The Middle East generally identified with vast oil resources spread throughout the countries of the region. The table shows how output has increased during the current years:—

Country	Oil Reserves 000m. bbls	Current Income 000m. $	Production (m. tons)	Destination
Saudi Arabia	145.0	27.00	285 a year.	U.K. 20.6 W. E. 117.9 USA 5.7
Kuwait	55.0	8.40	151 a year.	U.K. 23.8 W. E. 82.7 USA 1.5
Iraq	50.0	6.75	32.2 a year.	U.K. 4.2 W.E. 5.9 USA 5.2
Qatar			71.6 a year.	U.K. 4.3 W.E. 13.7
Abu Dhabi	38.0	8.20	50.6 a year.	U.K. 3.0 W.E. 23.1 USA 3.9
Algeria	8.0	3.50	52.0 a year.	U.K. 0.5 W.E. 28.7 USA 0.6
Libya	20.0	6.10	106.7 a year.	U.K. 20.3, W.E. 114.6 USA 2.6

The Middle East States are expected to accumulate in reserves from their unspent revenues. Estimates of these surpluses vary greatly. The highest is that by 1985 they will have reached the atstonomical figure of $ 500 billiron.

The table below shows the production of rice and wheat upto 1973.

RICE — 1000 metric tons

Country	1961-65	1971	1972	1973
Egypt	1845	2534	2507	2530
Sierra Leone	336	461	454	440
Indonesia	12393	20058	19447	21000
Iran	851	877	1200	1300
Iraq	137	307	268	240
Malaysia	957	1545	1566	1687
Pakistan	1825	3390	3356	3800
WHEAT				
Algeria	1254	1235	1950	1100
Egypt	1459	1732	1618	1650
Morocco	1336	2188	2184	1897
Tunisia	446	600	914	690
Afghanistan	2207	1915	2950	2500
Iran	2873	3612	4500	5000
Iraq	849	822	2625	1000
Jordan	180	168	211	95
Pakistan	4152	6476	6891	7515
Syria	1093	662	1808	600
Turkey	8585	13594	12275	10100

There are good prospects for expansion among the Muslim countries. The scope can be enlarged provided that some basic problems are solved. All Muslim countries are executing some type of development programmes and are trying to indust-

rialize their economies. They are also working for increasing their agricultural production, especially food. As such, all countries can increase their exports and imports with other Muslim countries through a well-organized programme. If Muslim solidarity is to be promoted in real sense and the poorer people of Africa are provided necessary assistance, a new chapter in joint Muslim co-operation can be initiated.

For a better understanding of the problems of the Muslim world and assessment of the volume of efforts required for bringing about a better combination of economic growth and social justice we feel our position in socio-economic fields should be viewed in the context of regional and inter-rigional setting. With this end in view, MTI has compiled this special survey which presents in the form of interesting comparative statistics, the achievements of selected big and small countries of the Muslim world.

We hope this survey will help the readers in appreciating Muslim world's present placing in the comity of nations and enable them to visualize the magnitude of problems and efforts required for their solution.

All Muslim countries are not included in the Survey, as data are not available. As more current data become available, additional countries will be included.

The MTI would welcome comments on this publication with a view to introducing improvements in subsequent issues of the Survey.

MESSAGE



Mian Tajammul Hussain,
President,
Lahore Stock Exchange,
Lahore.

I am pleased to know that Majlis-i-Tahqiqat-i-Islami is bringing out the fiist edition of Economic Survey of the Muslim Countries to commemorate the Second Islamic Summit Conference.

The services rendred by this Survey in creating public awakening for the unity of Muslim World are highly commendable. There is need to make a concerted effort to the socio economic uplift of the Muslim Countreis. It is extremely sad to know that in none of the Muslim Countries much literature is available about current developments in other Muslim countries. 'Economic Survey of the Muslim Countries' is rendering very valuable services in this direction. For this, the MTI deserves encouragement.

I wish the MTI success in their venture.

Mian Tajammul Hussain.

AFGHANISTAN

Basic data

Area	254,000 sq. miles
Population	17.8 million
Capital	Kabul
Head of the State	Sardar Muhammad Daud Khan, Prime Minister.
Important Cities	Maidan, Jalalbad, Gardez, Ghazni, Kandahar, Herat, and Faizabad.
Language	Pashtu and Dari Persian
Climate	Varies sharply. Temperature in the South-West in Summer reaches 120 degrees F. and during winter in the Hindu Kush mountains of the North-East falls below zero.
Currency	Afghanis 45 Afghanis = I U. S. $.
Weights and measures	Metric system

General Economy

In Afghanistan the agricultural sector provides the major part of the national income. Approximately 80 to 90 percent of the manpower is engaged in this sector. Therefore, the role of agriculture is considered very important from the view point of

industrial raw material production, markets for industrail goods, balance of payments and the level of emyloyment. Qualitative targets of the agricultural sector in 1974-75 are the growth of agricultural output, increase of foreign earnings, limitation of imports of agricultural products and raising the level of employment in agricultural activities.

		U S $
Gross National Product		1,140 million
Per Capita Income		80
World Trade	Imports	254 million
	Exports	196 million
Trade with Pakistan	Imports	23 thousand
	Exports	13 thousand

AFGHANISTAN

The greater part of the country is mountainous. Still, with the assistance of small rivers or wells ample fruits, vegetables and cereals are grown. The cultivable land covers an area of 14 million hectares. Afghanistan is virtually self-supporting in food-stuffs excepting wheat and sugar. Wool and skins including persian lamb skins constitute as chief export items.

Mineral resources are scattered and less developed. Coal is mined at Karkar. Oil reserves are around 90 million barrels while the crude petroleum production stands at 2,000 barrel per day. Deposits of iron also exist in the country. Othes deposits include gold, silver, asbestos, mica, beryllium, sulphur, chrome and copper.

There are factories for the manufacture of cotton and woollen textiles, leather, boots, marble-ware, furniture, glass, bicycles, pre-fabricated houses and plastics. With the assistance of Soviet Union, a machine shop has been constructed. There is a wool factory and a cotton ginning plant, and a small cotton factory. A cotton-seed oil extraction plant has been built. An Ordinance factory manufactures arms and ammunition, boots and clothing for the army. There is a beet sugar plant and an inoperative fruit canning factory. Hydro-electric plants have also been constructed and a number of such plants are under construction. The industries financed through foreign loans include hydro-electric projects, cement, coal mining, cotton textiles, small vehicle assembly plants, fruit, canning,

carpet making, leather tanning, foot-wear manufacture, sugar manufacture, preparation of hides and skins and building and construction

There are at present over 2,000 km. of asphalted roads in the country. There are no railways. There are practically no navigable rivers in Afghanistan. In 1972, telephones numbered about 21 thousand. Telegraphic communication exists and the telecommunication system is being expanded.

For the purpose of achieving social and economic development, Afghanistan has given priority to the agricultural sector in the Fourth Five-Year Plan. Food production has registered a sharp increase in one year as a result of the introduction of varieties of seeds and fertiliser. The revenues of the Government from internal sources, which were 6,864 million afghanis in 1973-74, would be 8,262 million afghanis, (20 . 4 percent increase) in 1974-75. For the purpose of establishing social justice and raising the domestic revenues of the Government, the share of the direct taxes in the total revenue of the Government will be raised to 15 . 2 percent in 1974-75 from 11 percent of the previous year, and the share of indirect taxes will be reduced to 40 percent from the 46 percent in the preceding year. The surplus of the domestic revenue will be increased to 951 million afghanis in 1974-75 from 628 million afghanis in 1973-74 (51 . 4 percent increase) in order to finance investment expenditure.

In Afghanistan, medical facilities are insufficient for the population. In 1973-74 there were 0 . 7 doctors and 2 . 1 beds for every 10,000 persons. Table below shows the position.

	1973-1974	1974-1975
Total number of hospitals	61	66
Number of hospital beds	2,317	2,741
Number of active health centers	92	N.A.
Number of doctors	1,071	1,186

AFGHANISTAN

Afghanistan, being endowed with natural resources such as water, land, livestock and mineral wealth, has the capacity for economic development. Nevertheless it has been unable to utilise its resources to the full extent in spite of positive efforts. To achieve maximum utilisation of natural resources and to raise the living standard of the people, socio-economic planning was introduced in the Annual Economic and Social Development Plan for 1974-75.

Estimated figures show that the rate of unemployment is 8.4 percent of the working population. The level of employment in development projects will rise to 53,800 from 45,200 in the previous year.

ALGERIA

Basic data

Area	2,382,000 Sq. km. or 20,000 Sq. miles
Population	15 . 5 million – Growth rate 3 . 3%
Capital	Algiers
Important Cities	Oran, Annaba, Blida, Tlemcen, Constantine.
Language	Arabic. French being the principal foreign language.
Climate	On the coast temperate becoming more extreme in the Atlas mountains. The sahara is hot and arid.
Currency	Algerian Dinar AD 4 . 09 = 1 US $
Weights and measures	Metric System.

General Economy

There exists a small area of highly fertile plains and valleys near the coast mainly owned by self-management committees which is cultivated on scientific lines and where profitable returns are obtained from vineyards, cereals etc. The greater part of Algeria is of limited value for agricultural purposes. A considerable area of the mountainous region is without adequate means of communicaton. The chief crops are vine, olive oil, wheat, barley, citrus fruit and dates.

			U. S. $
Gross National Product	1970		1972
	4,270 m.		5,260 m.
Per Capita Income	1970		1972
	300		460
World Trade		1969	1972
	(Exp.)	934 m.	852 m.
	(Imp.)	1009 m.	1221 m.
Trade with Pakistan	1972-73		1974-75
	(Exp.)	0.6 m.	4 m.
	(Imp.)	0.03 m.	—

ALGERIA

Situated in north of Africa, Algeria has an area of 20 thousand square miles and a population of 15 . 5 million. Some 99 percent of the population is Muslim. It has 640 miles of water front in the Mediterranean from where the Tell rises into plateaus to join the High Atlas mountains rising over 7,000 feet. Most of Algeria is desert. The bulk of the population lives in or near the blue Mediterranean where vineyards and lush fields attract them. The population of Algeria is increasing by three per cent every year. The number of adults at work in rural areas accounts for 72 per cent of the total population.

Algeria is unique : conomically backward, she is also a developed country; oriental, she has been greatly westernised during the last few years. She had to wage a fierce war of independence for eight years from 1954. The liberation struggle succeeded but the people had to pay a high price: 1,500,000 valorous people killed, 300,000 rendered orphans, the economic infra-structture destroyed, all industry, commerce and farms abandoned or sabotaged by foreign settlers.

In June 1965, with President Houari Boumedienne at the helm, the revolution took a new turn.

Radical reforms were introduced in the administrative and industrial management sectors making for complete democratisation, accountability and workers participation. Massive nationalisation was carried out in 1967 and 1968. Development of external trade and industry has been so rapid since 1965 that today

Algeria seems on the crest of an upsurge. The fact is fully reflected in its trade and production figures, in the remarkable success of its second three-year plan completed last year. Hand in hand with this has gone the expansion in education. The number of schools and the children attending them are multiplying from year to year.

First Four-Year Development Plan 1970-73 implies a rejection of the capitalist development system according to which light industries should first be developed and basic equipment should still be imported, until such time as the light industries. provide market for the products of heavy industries.

Planning is the indispensable instrument of Algerian economic policy without which it cannot arrive at the required degree of rationality and coherence in its industrial projects, and the integrated long-term expansion of the national economy, whose principal objective is the simultaneous but differentiated progress of all sectors, but in predetermined proportions.

The Algerian government policy aims at developing all sections of production activity, while laying particular emphasis on heavy industry. In this way between 1970 and 1973: agriculture was to develop at the same rate as that of population increase, i. e. 3 %. Light industry will continue to grow, Heavy industry is expected to show a very marked growth rate in the long term. This will certainly influence the pattern of demand, on the one hand, and the composition of foreign trade on the other.

Algeria, already a swiftly expanding economy is well on its way to becoming a developed economy.

RELATIONS WITH PAKISTAN

Algeria's relation with Pakistan date from the period of

Algeria's struggle for independence. The generous support of the people of Pakistan at the time of their need manifest the bonds between the two Muslim peoples.

During the 1971 crisis the Government of Algeria expressed the country's solidarity and firm support for the heroism of the Pakistan people in preserving the unity and territorial integrity of Pakistan.

Algeria and Pakistan established diplomatic relations when Pakistan recognised the Government of Algeria in exile.

Algeria and Pakistan are actively promoting cultural relations and co-operation in the fields of education, culture, health, youth and sports through a 5 year agreement which aims at reinforcing the fraternal bonds between the two countries and strengthening their cultual heritage.



BAHRAIN

Basic data

Area	225 Sq. miles.
Population	0 . 2 million-Growth rate 3 . 1%
Capital	Manama
Head	H.H. Sheikh Isa bin Sulman Al-Khalifa
Important Cities	Muharraq, Hidd, Rafa'a Sa Town
Languages	Arabic and English
Climate	Cool and temperate (Dec. -March), hot and humid during Summer.
Currency	Dinar : BD 0 . 440 = I US $
Weights and measures	British and U. S. standards are understood

General Economy

Bahrain is being developed as a major manufacturing state. The most important enterprise is aluminium smetering which is the largest non-oil industry in the Middle East. Other projects include development of tourist potential. There is an important fishing industry and a fairly large farming community.

Gross National Producı	US$ 140 million
Per Capita Income	$ 640

U. S. $ million

World Trade		1970	1971
	(Exp.)	57 . 1	64 . 6
	(Imp.)	182 . 1	238 . 7

Trade with Pakistan		1970-71	1972-73	1973-74	1974-75
	(Exp.)	4 . 3	2 . 4	10 . 2	4 . 3
	(Imp.)	2 . 6	0 . 2	0 . 8	5 . 8

BAHRAIN

Bahrain is an archipelago of about 33 islands half-way between Kuwait and Oman and it was once known as "the Pearl Sea". Bahrain belongs to the second generation of countries in a region rich with raw materials which are striving to become industrialized.

In 1972 the GDP is estimated at BD 133 million resulting in per capita GDP of BD 616. The economy is dominated by the oil sector, which has contributed over two third of the GDP. Value added in the oil sector in current prices has not expanded between 1970 and 1972. Other manufacturing has increased substantially from a low base in 1970 and there has been steady but less spectacular growth in the output of the services, commerce, and transportation sectors. The agricultural sector has shown little growth.

Oil was discovered in Bahrain in 1932 and commercially exploited in 1935 ; since then the petroleum industry has been the mainstay of the country's economy. Accelerated operations are now underway by the Bahrain Petroleum Company. In 1969 the production of oil remained at 27 . 77 million U.S. barrels. The huge oil refinery process oil being transported through an under-sea pipeline from Damman and the oilfields of Eastern Saudi Arabia (Second largest in the Middle East). It refines about 250,000 barrels of oil each day.

In 1936 a refinery was established to process the crude oil. The refinery was expanded in 1941 to process oil put

through from Saudi Arabia and has since developed into the second largest in the Middle East (after Abadan in Iran). Oil receipts provide about 75 per cent of total Government revenues and prior to the commencement of aluminium exports, refined oil products accounted for approximately 80 per cent of total exports. The petroleum sector employs over 4,000 persons. Although Bahrain has been an oil producer for nearly 40 years, its annual crude oil output has never been high. It reached a peak of just under 28 million barrels in 1970 and has since been on a gradual but steady decline. Bahrain; remaining oil reserves are modest ; such reserves are currently estimated at only 360 million barrels. The estimated reserves of Kuwait, Qatar, and Abu Dhabi, for example, are 64 billion, 7 billion, and 22 billion barrels, respectively. Its present day production of 65,000 barrels a day makes it a dwarf next to its oil-rich neighbours.

Annual production of crude oil from the Bahrain field, which stagnated at 16 . 5 million barrels between 1959 and 1963, increased at an average annual rate of 10 . 8 per cent to 27 . 6 million barrels in 1968. Marginal rises in output occurred in 1969-70 to a peak of just under 28 million barrels year. Following a slight decline in 1971 there was a decrease of 7 per cent to 25 . 5 million barrels in 1972. Production for the first nine months of 1973 was 18 . 7 million barrels representing a decrease of 5 per cent from the production of the similar period in 1972. On the average production rate at about 76,000 barrels a day was somewhat higeher than the technically optimum rate for that field.

Bahrain is a member of the Organization of Arab Petroleum Exporting Countries (OAPEC) but not of the Organization of Petroleum Exporting Countries (OPEC).

The British had contemplated making Bahrain their main base in the region but they left in 1971. The same year, the Bahrainis inaugurated a major asset, a factory powered by

Bahrain's abundant reserves of natural gas to manufacture aluminium from bauxite imported from Australia. It has now the capacity of producing 120,000 tons of aluminium a year.

The country is making rapid strides in the industrial field. Boat-building, weaving and pottery are the traditional minor industries, besides modern industries like building materials, woollen garments and plastic manufactures. It has developed a free industrial zone and the range of products now made by Bahrain is a large one including heavy equipment for off-shore drilling, plastics, building materials and food canning.

Once Bahrain was noted for building ships but now the ship-repairing promises to be one of Bahrain's important industries. By 1977 Bahrain is expected to have biggest drydock in the Gulf or the Indian Ocean. The drydock is being built by the Kawasaki Company of Japan and by the Lisnave Campany of Portugal. On completion in about 3 years time it would be able to accommodate oil tankers of 500,000 tons. It would also employ 2,000 skilled workers besides 200 electronic engineers.

The ultramodern airport on the island of Muharak has captured a profitable position of the air traffic between Japan, Australia and Europe.

Local as well as international companies have developed industries in Mina Sulman which is also used as a storage centre for firms selling elsewhere in the Gulf.

Food items have a 51 per cent weight in the index. Prices were relatively stable from 1968 until 1970, but increased by about 6 per cent a year, in 1971 and 1972. The rate of inflation has accelerated in 1973 ; the average price index for the first three quarters of 1973 (127 . 9) is 10 per cent higher than the corresponding figure for 1972. The rate of price increase is attributable in large part to higher prices of imported items since most consumer goods in Bahrain (including foodstuffs) are imported.

Bahrain has vast reserves of natural gas. This gas is of high quality as it is not associated with oil and has a low sulphur and moisture content. Comprehensive estimates of the reserves have not been made, but it is believed to be upto 16 trillion cubic feet.

New industrial projects under consideration include an aluminium extrusion plant, a vegetable processing factory, a fertilizer plant, a paint factory and a detergent plant.

The agricultural sector is relatively unimportant in Bahrain. Most of Bahrain's foodstuffs are imported and less than 10 per cent of the economically active population is engaged in agriculture. Agricultural land is estimated at about 15,000 acres, of which about 4,000 are under production.

RELATIONS WITH PAKISTAN

The history of Bahrain dates back to August 14, 1971 when it achieved independence after decades of struggle subsequent to the acceptance of a report by the U.N. in 1970.

Pakistan has close trade relrations with Bahrain. Trade relations are firmly established. Upto 1970-71 Pakistan had made quite a headway in increasing the volume of trade but in 1972-73 there was a drastic reduction in the volume of trade. Again in 1973-74 a big leap was made by Pakistan when the export turnover stood at $ 10 . 2 million.

One redeeming feature during 1969-70 to 1973-74 has been a favourable balance of trade. Owing to a rise in oil prices, imports in 1974-75 have exceeded exports by $ 1 . 5 million.

Still there exist better prospects for increasing trade and other economic relations with Bahrain.

BANGLADESH

Basic data

Area	55,000 Sq. miles.
Population	84 million – Growth rate 2.5 %
Capital	Dacca
Important Cities	Chittagong, Sylhet, Mymensingh. Rajshahi.
Language	Bengali.
Climate	The winters are very pleasamt, being both mild and dry. The summers are long and hot.
Currency	Taka I U S $ = 8.133 Taka
Weights and measures	Imperial measures are in use.

General Economy

The main source of growth in the country is agriculture. Rice carries a very large weight (12 million tons) in total agricultural output followed by jute (7 million bales) while that of tea stands at 60 million Ibs. Output of the agricultural sector as a whole including livestock, fisheries and forestry contributes around 11 % to the overall growth of the GDP.

			U.S. $
Gross National Product	1972-73		5,609 m
	1973-74		6,254 m
Per Capita Income	70		
World Trade		Exports	Imports
	1972-73	351 m.	667 m.
	1973-74	368 m.	903 m.

BANGLADESH

The economy witnessed some improvement in some sectors in 1973-74. But there were ominous signs of serious weakness in other sectors. The Gross Domestic Product showed a significant improvement over the preceding year but failed to reach the bench-mark level of 1969-70, and investment in real terms lagged far behind the targets. The balance of payments situation deteriorated seriously, and inflation continued to maintain an unprecedented pace.

The First Five-Year Plan of which 1973-74 was the first year, aimed only at modest target of growth and investment over their 1969-70 levels. The immediate objective of the Plan was to pull the economy, which had been dislocated by the 1971 war and its aftermath, to its level of 1969-70 which was the last normal year. This was hoped to be achieved by the end of 1973-74. An evaluation of the performance of the economy during the year showed, however, that the targets set were not realised in some major fields and the magnitude of the shortfalls is so large that fulfilment of the overall objectives of the Plan has become a difficult proposition. The real Gross Domestic Product registered an increase of about 12 percent during the year over its 1972-73 level.

A number of factors were responsible for the slow recovery of the industrial sector. There was an acute shortage of imported raw materials and spare parts due to non-availability of foreign exchange. The quick switch-over from private enterprise

to public ownership naturally led to a period of mismanagement from which most industries have not yet recovered, though some progress has been made in this direction. Frequent failures in power supply led to stoppages of production, while continuing transport difficulties hampered the movement of inputs and output.

There has been a sharp increase in the general price level during 1973-74. The middle-class cost of living index for Dacca which stood at 181.52 (1969-70 = 100) in 1972-73 rose to 239 . 50 which is an average of the first nine months of 1973-74, representing an increase of 33 . 1 percent. A bulk of this increase is accounted for by food prices, which rose by about 30 percent over the corresponding period.

The Governmant finanncing came under severe stress as current expenditure increased sharply while revenue receipts failed to show a corresponding increase.

Aimed at a 5 . 5 per cent annual groawth of GDP over the Ist Plan of 1969-70 a total development expenditure of Taka 44,550 million of which Taka 39,520 million will be in the public sector and 5,030 million in the private sector is envisaged. Domestic resources to finance the Plan have been estimated at Taka 26,980 million while domestic counterpart funds equivalent to Taka 17,570 million is to be obtained from external resoures.

For 1973-74, the target of total development expenditure was set at Taka 5,254 million in the public sector and Taka 1,500 million in the private sector. However, the actual level of real development expenditure fell far short of the target.

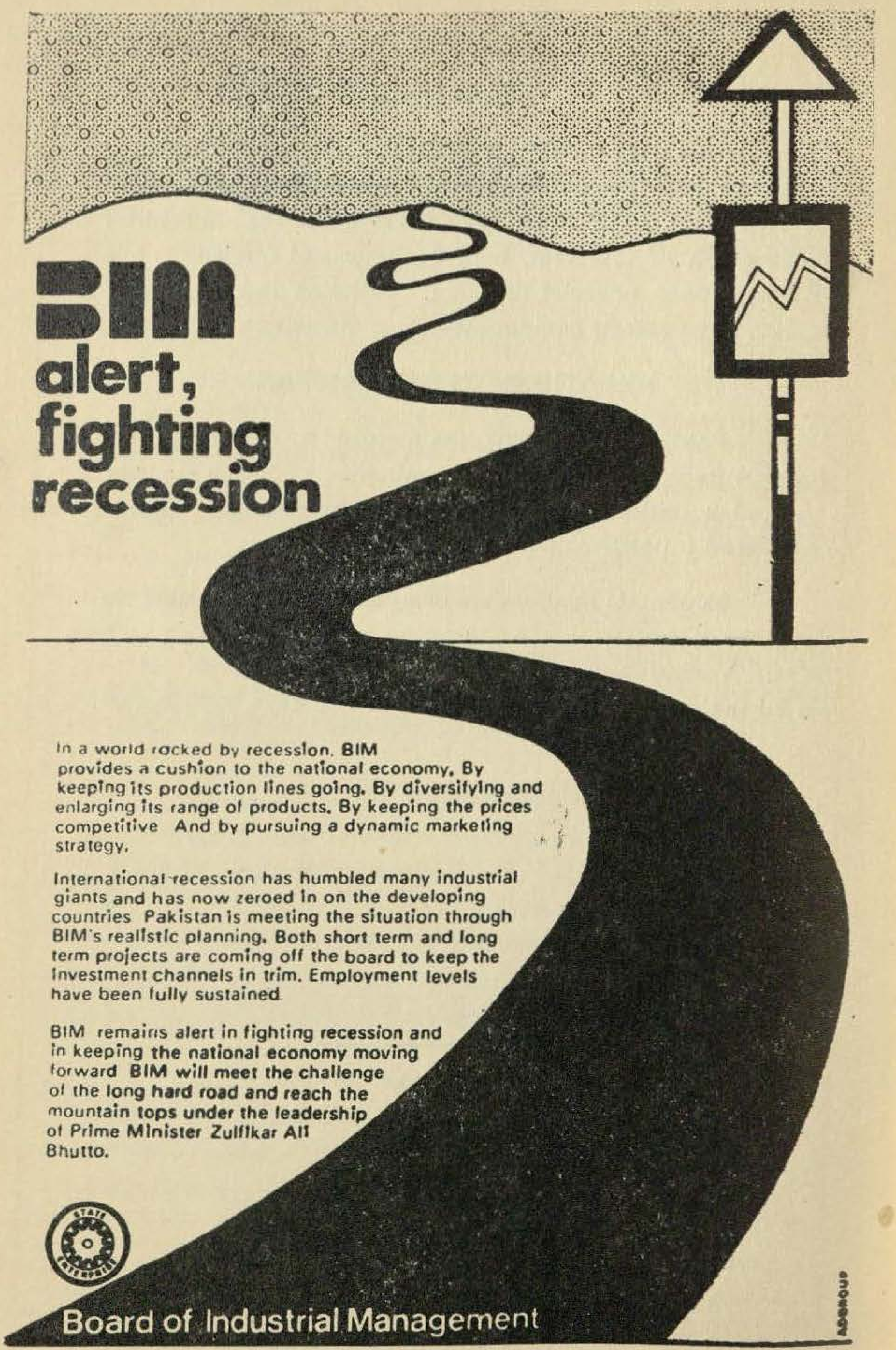
Though there has been a fairly satisfactory growth of the GDP during 1973-74, the shortfall in development expenditure has a serious implication for the targets set in the Plan. It means that investment during the rest of the Plan period must

accelerate far beyond the rate originally envisaged, if the physical Plan targets are to be achieved. But the performance during the first year itself brings into sharp focus the difficulties in mobilisation of rcsources, both domestic and foreign, to match the investment needs of the Plan. Inflation and rising cost of imports have greatly compounded these difficulties.

RELATIONS WITH PAKISTAN

Pakistan has always maintained a fraternal attitude towards Bangladesh. The contribution of 1 . 5 lakh maunds of rice and 2 million yards of cotton cloth by Pakistan should be considered a positive gesture of good-will.

Economic relations are being established on sound lines. Both the countries are co-operating with each other in various fields. Various agreements have already been reached. It is expected that in the near future the volume of trade will increase.


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CHAD

Basic data

Area	496,000 Sq. miles
Population	4 . 0 million – Growth rate 2 . 3 %
Capital	Fort Lamy
Languages	French, Arabic and various other African languages
Climate	Hot, arid in the north, very wet in the south. Annual rainfall 197 inches.

General Economy

Chad is a land-locked state and its economy is mainly based on the industries of cotton and animal husbandry. Agriculture, animal husbandry and fishing are the main occupations. Natural resources are in abundance. The mineral wealth has not yet been explored. Dates are cultivated in the desert oases. There is no railway. Transport in the rivers is only possible during the rainy seasons. Internal air transport is well developed.

			U. S. $
Gross National Product		310 million	
Per Capita Income		80	
World Trade	(Exp)	36 million	
	(Imp)	61 million	
Trade with Pakistan		1973-74	1974-75
	(Exp)	2,000	—
	(Imp)	3,000	7,000

CHAD

The country's natural resources are enough to make it into granary of Africa. Irrigation is possible both by building dams on the rivers and by digging tubewells. Even surface wells are possible in the central and southern regions. The mineral wealth has not yet been tapped. In its present stage of development, normal budget could not be balanced without external aid.

Agriculture, animal husbandry, fishing are the main occupations. Cotton is the chief crop; most of the cotton is exported. Rice and millet are the basic food crops, and are grown in many varieties. Peanuts, chick peas and wheat are also grown. Dates are produced in the desert oases. Agriculture is still done by hoe. The plough has not yet been introduced. Efforts are now being made to change over to mechanical farming. Cotton is the main export; others are cattle, meat, hides, fish and natron (sodium carbonate), the country's only mineral product. With UN aid, land is being reclaimed from Lake Chad, 17th largest lake in the world, for wheat growing. Dikes are being built across the shallow lake; water is than pumped out of the enclosed polder. In 1966 4,900 acres in the first polder produced 1,800 tons of wheat. The UNESCO Chad Basin Commission was hoping in 1968 to tap a large natural reservoir for cotton irrigation of neighbouring areas. There is no industry except that of cotton seed oil processing, a peanut oil factory, two rice processing plants and a carbonated brewery plant in Fort Lamp.

The ordinary budget in 1970 provided for expenditure of 13,500 m. francs CFA and receipts of 11,800 m. francs CFA.

In 1972 imports totalled 15,476 m. francs CFA, exports 9,028 m. francs. France accounts for 30 per cent of the imports and 40 per cent of the exports.

EGYPT

Basic data

Area	386,128 Sq. miles
Population	36.9 million—Growth rate 2.1 %
Capital	Cairo
Important Cities	Alexandria, Port Said, Ismailia, Beheira, Giza, Fayum, Sinai
Language	Arabic
Climate	Lies in the sub-tropical zone. Warm winters and hot dry summers. Average temperature range betweet 71 to 96 F. Rainfall is scarce, averaging two inches a year.
Weights and measures	Metric System

General Economy

Main crops are cotton, maize, and rice. There are limited mineral resources. Industry is on road to rapid development. Aswan High Dam is to provide vast hydro-electric power and increase the arable land area by 30 per cent. Petroleum in commercial quantities was first discovered at Gemsah in 1908. There are at present 4 oil refineries.

			U. S. $
Gross National Product	8,340 m.		
Per Capita Income	240		
World Trade	(Exp) 825 m.		
	(Imp) 899 m.		
Trade with Pakistan	1972-73	1973-74	1974-75
	(Exp) 1.8 m.	1.3 m.	1.2 m.
	(Imp) 27,000	1.1 m.	15,000

EGYPT

The cradle of civilisation, Egypt is the land where architecture was born, where medicine first became science where astronomy was highly developed and where religion was first treated as a comprehensive way of life.

The Egyptian pre-revolution economy was characterized by its backwardness and subservience to the alliance of feudalism and exploiting capitalism. It was strongly related to foreign influence that used to exploit all the country's resources and wealth to serve their own interests.

The first stage up to 1956 was characterized by the application of the Agrarian Reform laws, the establishment of the Permanent Council for National Production and the Industrial Bank to consolidate national industries. Different laws were issued to facilitate and encourage private investments. A new economic institution was established to administer and supervise the firms owned or shared by private capital and formed a Supreme Council for National Planning.

The comprehensive planning projected the doubling of national income within ten years and efficiently mobilizing the economic resources to fulfil a high rate of production. Thus the the first plan for economic development was drawn comprising three different stages :—

- The first Five-Year Plan (1960-1955)
- The second Five-Year Plan (1965-1970)
- The third Five-Year Plan (1970-1975)

In July, 1961 the State took extensive stride on the path of socialism. It enlarged the public sector activity after abolishing feudalism, capitalism and monopolies.

In August, 1963 some companies and firms were nationalized in conformity with the Charter's requirement that a powerful public sector capable of leading and bearing the fundamental responsibility of development should exist alongwith a private sectore. Both sectors were put under the supervision of the people.

The aims of the Development Plan can be summed up in the following :

— To expand the national economy from its limited scope to enable it to cope with other more progressive economies.

— To allocate fair shares of investment to different sectors of the economy to have some equilibrium among them.

— To direct production to meet requirements of local consumption.

— To raise the standard of living and at the same time increase production potentialities for future economic expansion.

— To mobilise manpower so that a maximum number of individuals may share the outcome of production and development to fulfil social justice.

— To meet the new burdens imposed by the 1967 war, to give imoprt priority to strategic and supply materials and to increase defence expenditures.

The State has geared the new economic policy to the actual requirement of the present circumstances. This policy has rebalanced the national economy. Financial stability has been achieved along with more efficiency in the field of trade,

thus increasing control over the balance of payment problems.

The industrial sector has witnessed conscientious efforts to utilise all the country's available resources. Industrial policy is based on : horizontal expansion by establishing new industries and expanding present ones, and vertical expansion by raising the productive efficiency of existing factories.

Three main requirements were achieved to ensure quality, precision and cost reduction. These were :

Industrial production represents in figures a productive capacity able to meet the needs of the citizens. The value of industrial production amounted to £ E. 2,258 million in 1972 compared to £ E. 373 million in 1952 with a 750 % rate of increase.

Since the July 1952 Revolution, 800 new industrial projects have been established costing £ E. 1,000 million. The main features for planning these projects included two principal directions followed simultaneously.

The first was establishing those plants throughout the country so that every part of the country could feel the effects and benefits of industrialization. The industrial companies within the public sector have had profit surpluses rising from £ E. 32 million in 1961-1962 to £ E. 107 million in 1970-71 and £ E. 116 million in 1971-1972 with a rate of increase of 300 % and 362 % respectively.

The second direction was constructing integrated industrial areas, grouping several projects to form an enormous integrated industrial centre.

The value of industrial production in this area amounted to £ E. 193 . 3 million in 1971, with 1C4,068 workers receiving £ E. 38,121,370 in total wages.

The start of the great industrial movement was the Iron and Steel Mill. Soon a coke factory was built nearby, followed by factories in the same area for motor-cars, railway wagons, tractors, trucks, bicycles and factories for military equipment.

To utilise the gas, generated in the coke plant, a fertilizer factory was built in 1971. Its capacity is estimated at 200,000 tons of nitrogen fertilizer a year. The construction of this factory cost £ E. 19 million.

The most important industrial project is doubtlessly the "iron and steel complex" which President Sadat described as our "Second High Dam".

The petroleum industry occupies a prominent position in the economy. Petroleum is not only the principal source of energy but also a major financial source for the economic development plans. The petroleum industry has devloped from being unable to meet local consumption to large-scale exportation; thus contributing to the economy and enhancing development.

The first and second five-year plans concentrated on realising three main objectives in the petroleum sector, namely :

— Raising the production of crude oil to meet local requirements.

— Raising the capacity of refineries to provide all products necessary for consumption.

— Preparing projects for easy and cheap distribution and transportation so that every governorate may have sufficient reserves to meet any emergency cases.

The third ten-year plan (1972-1973—1981-1982) has also a fourth main objective: raising exports to help the balance of payment positian.

One of the main objectives of this Plan is to raise the production of crude oil to 45 million tons per annum, and natural gas production to 10 million tons in 1981-1982, that is, quadrupling the amount presently produced.

The petroleum production reached 1 . 4 million tons in 1971 at the Red Sea area, 13 . 7 million from Morgan oilfield and 1 . 3 million from El Alamein oilfield.

The ten-year Plan aims at increasing the petrochemical production in 1981-1982 to 295 thousand tons valued at over £ E. 59 million. This is sufficient to meet the requirements of local consumption and allow the exportation of part of its production to foreign markets providing revenues needed in the process of economic development.

A plan for refining and processing was scientifically drawn to raise production from 9 . 6 to 12 . 4 million tons per annum.

The total number of Egyptian workers is estimated at 8,700,000,of which 5,375,100 are engaged in agriculture, industry, electricity and construction while 2,899,600 are in the services sector such as, transport, communications, trade, finance, housing and others.

The agricultural development plan is based on a number of regulations to realise the national objectives of the agricultural sector that plays a major role in the Egyptian economy.

The agricultural development plan has followed two parallel directions, namely, horizontal and vertical expansion.

Agrarian reforms and land reclamation have steadily developed in twenty years. Millions of people have been freed from the oppression of the landlords' to enjoy security, justice and freedom. About one million feddans of feudal lands

were expropriated, of which 838,000 have been redistributed to 418,000 families, consisting of about 3 million individuals. Ownership increased these families' income by £E. 1.0 million a year. By developing agricultural production, the productivity of cotton cultivated lands increased from 6.1 tons a feddan in 1968 to 6.7 tons in 1970. The average productivity of rice areas increased from 2.25 dariba (bushel) a feddan in 1967 to 2.66 in 1969. Orchard income rose from an annual average of £E. 104 a feddan in 1967 to £E. 154 in 1969.

The High Dam is one of the greatest achievements of the 1952 Revolution. Construction started on January 9, 1960, and its completion was celebrated on January 15, 1971. It is situated 7 kilometers to the South of the old Aswan Dam. About 43 million cubic meters of material were used in its construction, which equal 17 times the size of the Cheops Pyramid.

The total cost of the project was £E. 415 million, 35% in foreign currencies to import equipment for the construction and for the power installation.

Since the nationalisation of the Suez Canal in July, 1956, the Arab Republic of Egypt has endeavoured to scientifically introduce well-planned schemes for the develoment of the Canal.

Before the Revolution, the purpose of education was to provide the country with government officials working for the then existing regime, and under its laws, regardless of the peoples' interests. After the Revolution, education served the individual to enable him to reshape his way of life.

Al-Azhar, which has been a great centre of Islamic learning for more than 100 years, received special attention from the State. Law No. 102 was issued on July 5, 1961, to develop

Al Azhar. Apart from improving its original faculties and developing their studies, new faculties were established with curricula including Islamic studies in addition to scientific, technical and professional studies. Al Azhar now includes: Law, Theology, Arabic Language, Business and Management, Girls Faculty, Medicine, Agriculture, Engineering, Education, Science, and the Institution for Languages and Translation.

Under the democratic, socialist regime, social care is regared as a right of all citizens. Social justice materialises through deepening the solidarity feeling, as well as solving the problems and providing the necessary needs to entire population.

The State provides convenient health care to all citizens. Thus health services have been extended to both rural and urban areas. Thc local pharmaceutical industry is being expanded so that medicines can be made available at the lowest cost.

The State endeavours to provide adequate housing. Housing units in towns increased from 14,158 in 1961-62 to 40,472 in 1966-67. In rural areas units increased from 886 to 6,679 in the same period.

The State is making every effort to preserve the national cultural heritage, and to enlighten both thought and spirit, and to preserve arts and literature. Cultural organisations have been expanded to cover all fields of arts, knowledge and thought.

Egypt enjoys many natural, historical, cultural and religious advantages which make it an excellent centre for tourism. Apart from its fine climate and shining sun, it has a tremendous wealth of old Pharaonic, Coptic, and Islamic monuments.

GABON

Basic data

Area	267,000 sq. km.
Population	0 . 5 million — Growth rate 0 . 8 %
Captial	Libreville
Climate	It has a broad coastal plain, rising to a hilly interior; the Equator passes through it.

General Economy

Gabon is under-devoloped, but with budget and overseas payments both balanced, owing to very valuable deposits of iron ore, manganese, petroleum, and uranium, the economy is on road to development.

U. S. $

Gross National Product		340 million	
Per Capita Income		960	
World Trade	(Exp)	187 million	
	(Imp)	97	
		1972-73	1974-75
Trade with Pakistan	(Exp)	115,000	136,000
	(Imp)	—	—

GABON

The Republic of Gabon is a beautiful and richly endowed country on the west coast of Africa, and the industrious and valiant Gabonese have a glorious tradition of combating imperialism and colonialism. The Government of Gabon has internally upheld national unity and the unification of the country. Efforts have been fruitfully geared to develop the national economy. Externally, Gabon has stood for African unity, supported the African national liberation movements and Afro-Asian peoples' just struggle, cambated imperialism, colonialism, racism, zionism and big-power hagemonism and opposed exploitation by rich developed countries. The efforts made by Gabon for the Third World's cause of unity are laudable.

Formerly, it was a French territory, has remained with French Community after attaining independence in 1960. It has a broad coastal plain, rising to a hilly interior, the Equator passes through it.

Its economy is fast progressing. Production achievements in manganese dioxide, uranium concentrates, natural gas, gold, timber and iron are appreciably high. The petroleum refinery in Port Gentil, a joint venture of the Governments of the five members of the Central African Customs and Economic Union and foreign petroleum companies, began trial operations in October 1967. The refinary produced 5.8 m. tons cf crude oil in 1971.

Libreville and Port Gentil are the main ports. Total

number of telephones is 4,300. The development plan was launched in 1966 for undertaking a number of constructive programmes in various sectors.

France, USA and West Germany are Gabon's principal partners; the share of these countries in Gabon's exports has declined from 80% in 1966 to 66% in 1967. These three countries continued to provide about 66% of Gabon's imports.

RELATIONS WITH PAKISTAN

Gabon's trade relations with Pakistan have been very limited. Pakistan exported goods worth $ 115,000 and $ 136,000 in 1972-73 and 1974-75 respectively whereas no imports were made during these years. Bilateral arrangements can be finalized on the basis of mutual interest.

GAMBIA

Basic data

Area	4,261 sq. miles
Population	0 . 5 million – Growth rate 1 . 9 %
Capital	Banjul (Bathurst)
Important Cities	Mandigo, Woloffs, Jolas and Sarahulis.
Language	English
Climate	Tropical
Currency	Dalasi I dalasi = U. S. $ 0 . 62

General Economy

The economy is pre-dominantly agricultural. The commercial activity is primarily based on cultivation of groundnuts which account for over 90 per cent of the total exports and as such remains the only export crop of financial significance. Rice is of increasing importance for local consumption and hence acreage under this crop has substantially increased.

		U. S. $		
Gross National Product		50 m.		
Per Capita Income		140		
World Trade		1969-70		1970-71
	(Exp)	16 m.		14 m.
	(Imp)	18 m.		21 m.
Trade with Pakistan		1971-72	1973-74	1974-75
	(Exp)	9,000	23,000	2,000
	(Imp)	2,000	–	–

GAMBIA

Gambia has made rapid strides in the area of economic pevelopment since its attainment of independence in 1888 when it became a Crown Colony. It became an independent member of the Commonwealth in 1965. Originally it was discovered by the Portuguese in the 15th Century and colonized by the British in the 17th, the scene of the 17th and 18th Century fighting for possession between British, Dutch and French.

Gambia is divided into 35 districts, each traditionlly under a chief, assisted by village heads as advisors. The city of Banjul is administered by a City Council.

The economy is primitive. All commercial activity centres upon the marketing of groundnuts. Rice is of paramount importance for local consumption. Besides, deposits of ilmenite exist on old storm beaches along the Atlantic Coast. No other workable mineral deposits are known. Chief items of imports consist of textiles and clothing, vehicles and machinery, metal goods and petroleum products.

Gambia has also made some breaktrough in the education sector. The existing number of primary, junior and senior secondary schools is estimated at 150. Besides, a vocational training centre and a college are also functioning.

RELATIONS WITH PAKISTAN.

At present Pakistan's trade with Gambia mainly consists of exports. In 1971-72, Pakistan made imports worth $ 2,000. In 1973-74, exports which increased to $ 23,000 declined sharply to $ 2,000 in 1974-75.

DEMOCRATIC REPUBLIC OF
GUINEA

Basic data

Area	95,000 sq. miles
Population	5 . 1 million — Growth rate 2 . 8 %
Capital	Conakry
Important Cities	Kankan, Kindia, Siguri, Labe.
Language	French
Climate	Coastal strip hot and with temperatures ranging between 62 F. to 86 F. The interior is cooler.
Currency	Guinea franc 100 Sily = U. S. $ 4.05

General Economy

Agriultcure constitutes the corner-stone of economic actitivity. The chief products are rice, palm-nuts, bananas, coffee, pine-apples, orange juice, groundnuts and millet. Coffee is grown in forest districts. Main exports are alumina, iron ore, rubber, palm kernels besides the above products. There are rich bauxite and iron ore deposits.

U. S. $

Gross National Product	440 million		
Per Capita Income	90		
Trade with Pakistan		Exports	Imports
	1971-72	37,000	—
	1972-73	388,000	11,000
	1973-74	4,000	—
	1974-75	3,000	—

DEMOCRATIC REPUBLIC OF
GUINEA

The independence of Guinea was proclaimed on 2nd October, 1958. The nations' first constitution was adopted on 12th November, 1958. On 24th April, 1968 Guinea and eight other African nations formed the West African Regional Group to promote economic cooperation.

Agriculture is the basis of economic activity. Cassava is grown everywhere as a food crop, but there are some regional differences in the other subsistence crops. In lower Guinea and the Guinea highlands there are oil palms, millet, corn and bananas. In the Futa jallon upland, rice, millet, corn and bananas are grown for export. In upper Guinea corn and millet are the main food crops. Kola nuts are also widely grown.

Mineral production has greatly developed. Gold, is a traditional mineral of the area around Siguri. Diamond production began commercially in 1935 and has greatly increased. Bauxite, iron and diamonds are the principalminerals. Harvey Aluminum Inc., of the U. S. and the Guinea Government are engaged in a joint exploition of one of the worlds' richest bauxite deposits at Boke. Guinea's second economic plan (1964-71) was aided by large grants from both Communist and non-Communist countries.

Acceleration of agricultural output is a Government goal. There were 1 . 2 million cattle kept by the Fulani of Futa Jallon. Meat is exported to Sierra Leone and Liberia.

Guinea has few horses or mules and no pigs. Fishing is important in the coastal waters in lower Guinea. There are 910,000 hectares of classified forests. No timber is exported. Timber is mainly for firewood and charcoal.

Railway, telephone and road system is fast expanding. A railway network connects Conakry with Kamkan. It will be extended to Bamake (Mali) with the help of Chinese engineers. There are 3,500 km. of all weather roads and 7,000 km. dry season roads.

The country is connected by cable with Farnce, and Pernambuco and number of other places.

Medical facilities are also available. In total there are 6 haspitals and 32 dispensaries for a total population of over 5 million.

GUINEA BISSAU

Basic data

Area	11,000 sq. miles
Population	0 . 6 million – Growth rate 1 . 4 %
Capital	
Language	French
Climate	Hot and moist. Temperatures range between 62 F. and 86 F.

General Economy

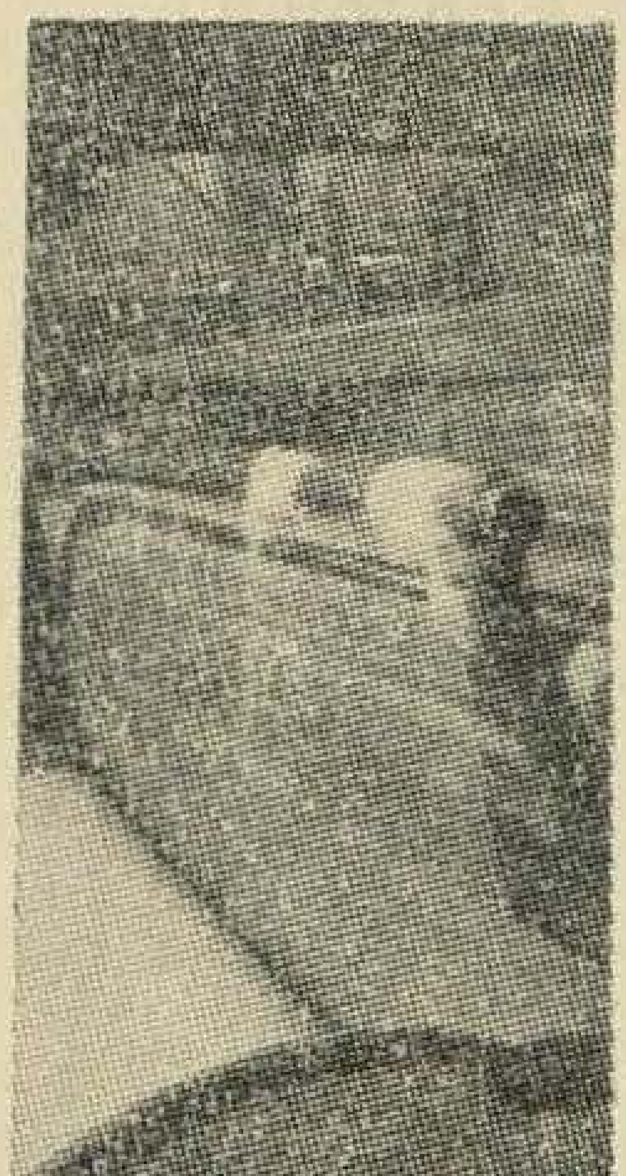
Guinea Bissau alongwith other overseas territories contributed about 25 % of Portugal's exports. They jointly produced coffee, diamonds, maize, sugar, palm oil, rice, cotton, and copra.

		U. S. $
Gross National Product	130 million	
Per Capita Income	230	

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SCAN

GUINEA BISSAU

The formal recognition of Guinea-Bissau as an independent state by General Spinola marks the beginning of the decolonisation of Portugal's African territories. At least 82 countries, including Pakistan, have already recognised the Bissau regime which had proclaimed independence in September last year.

Bissau's recognition brings to an end the tragic history of five centuries of colonial exploitation. Since the first Portuguese administration set up in 1930, the colonial rulers had been plundering the region rich in minerals and natural wealth.

Striking indeed is the fact that Portugal and the African nationalist leaders signed the agreement on the independence of Guinea Bissau in Algeria, the first country to accord diplomatic recognition to the Bissau Government, and Algeria had itself wrenched freedom from the French in March 1962. Like General de-Gaulle of France, General Spinola has made history by accelerating the process of decolonisation. He has certainly quickened the pace of implementing his July 27 Declaration that promised to "initiate the transfer of power to the people of the overseas territories."

Efforts are underway for economic development. Economic activities have just started. With mineral wealth and fertile land, it is hoped that this newly independent country will soon be on the path of economic development.

INDONESIA

Basic data

Area	736,000 sq. miles
Population	132 . 5 million – Growth rate 2 . 9 %
Capital	Djakarta
Important Cities	Atjeh, West and North Sumatra, Riau, Java.
Language	Bahasa
Climate	Tropical with two monsoons; the dry and the wet.
Currency	Rupiah 374 . 00 = 1 U. S. $
Weights and measures	Metric system

General Economy

Indonesia has valuable mineral resources: tin, coal, bauxite, petroleum, large rubber production, coffee, tea, sugar, tobacco, copra and rice. Indonesian agriculture is divided between estate and small holders cultivation. The forest area is 902,808 sq. km. The catch of sea fisheries is 802,000 metric tons. Oil plays an important part in Indonesian economy, being a major source of revenue and providing emplcyment for some 50,000. Indonesia is the principal producer of petroleum in the Far East. The 1970 output of crude oil was 344 . 2 m. bbls and refined oil 77 . 5 m. bbls. Main export items are rubber, petroleum, copra, tin ore, tobacco, palm oil and kernels, tea and coffee.

		U. S. $		
Gross National Product		10,940 m.		
Per Capita Income		90		
World Trade	(Exp)	1,534 m.		
	(Imp)	1,438 m.		
		1972-73	1973-74	1974-75
Trade with Pakistan	(Exp)	63 . 3 m.	94 . 2 m.	13 . 3 m.
	(Imp)	0 . 7 m.	12 . 1 m.	32 . 7 m.

INDONESIA

The Republic of Indonesia is an archipelago consisting of 13,677 islands of which about 6,000 are inhabited. It has an area of about 736,000 square miles with a population of 133 million and vast mineral and forest resources.

Planned development in Indonesia started in 1961 with the formation of an 8 year development plan covering 1961–69. During the sixties however Indonesia suffered severe inflation which in 1966 was as high as 600 %. After 1966 the rate of inflation was brought down to about 8 %. Debts were re-arranged followed by a flow of foreign investment. The First Five-Year Plan (1969–74) of the new Government was launched in 1969. It involved an expenditure of Rps. 1,420 billion and aimed at achieving a growth rate of 4 . 7 %. Main emphasis was on agriculture and infra-structural development. In the industrial sector, investment was limited to agriculture-supporting projects like fertilizer, machinery and food processing. The Plan provided many incentives for foreign investment which were successful. The Second Five-Year Plan (1974-79) was formulated with a considerable degree of optimism although the price situation is deteriorating again. It provides for an estimated expenditure of Rps. 4,859 billion to achieve an annual growth rate of 7–8 %. It aims at increasing social justice, improving the infrastructure and providing greater employment.

The structure of G D P reflects the developing character of the Indonesian economy. The data on the gross domestic

product was available at market prices. The estimate of real GDP at market prices was deflated by the consumer price index, taking 1970 as base. In 1971 the real GDP was $ 8,763 million which increased to $ 9,861 million in 1971 and to $ 10,930 million in 1973. The rate of growth in GDP in 1971-72 was 12 % which declined to about 10 % in 1972-73. The share of agriculture in GDP in 1970 was 44 %. By 1973 it had declined to 40 %. This trend is expected to continue during the Second Plan at the end of which agriculture will account for 35 % only. The share of manufacturing in GDP which was about 9 % in 1971 declined to 8 . 6 % in 1973. Mining and commerce accounted for 6 % and 18 . 7 % of GDP in 1971. This increased to 9 . 3 % and 20 . 4 % respectively in 1973. The per capita GDP in Indonesia is still very low. It was $ 74 in 1971, which increased to $ 87 in 1973, showing an annual rate of growth of 9 . 5 % during 1971-72 and 7 . 4 % during 1972-73.

Agriculture is of paramount importance to the Indonesian economy employing about 60 % of the labour force, even though only 7 . 4 % of the total area is cultivated. Agriculture is organised in two ways : in the form of plantations and in small holdings. In the former, production is carried out with intensive use of labour and capital and is geared mainly to the exports of palm oil, fibres and cocoa.

Agriculture was the focal point of the 1969-74 Development Plan. Special emphasis was placed on the increase of food production, particularly rice, and on improved production of rubber, palm oil, tea, coffee, sugar, tobacco and copra.

Despite its growing importance mining provides employment to only 1 % of the labour force. The development of this sector is almost completely dependent on foreign capital. Upto 1974 a total of $ 1,002 million had been invested in 17 projects.

In recent years the production of oil which is of excellent quality, being remarkably sulphur-free, has increased considerably. With a production of about 1 . 4 million barrels a day, 70 % of which goes to Japan, Indonesia is now the tenth largest oil producer in the world. By 1980, production is expected to be around 2 million barrels a day. Reserves have been put at 12,000–15,000 million barrels or just over two percent of total known global oil reserves. Oil production is largely controlled by the State Oil Company, Pertamina. Recently the company got into severe financial difficulties. It has however, now obtained foreign loans to reduce the debt burden.

Indonesia is a major producer of tin. Bauxite and nickel are also mined on a fairly large scale, but coal production has declined. Production of natural gas has also been rising (from 93 million cubic feet to 175 million cubic feet last year). Recently two 20-year contracts for the supply of liquefied natural gas were signed, one for 550 million cubic feet a day to be delivered from 1978 onwards to U S A, the second with a group of Japanese companies for one billion cubic feet a day starting from 1977.

Manufacturing industry is still in the early stages. In the First Five Year Plan emphasis was on import substitution. Industries now enjoying priority are feritilisers, cement, chemic. als, textiles, paper, pharmaceuticals and metal engineering. A total of Rps. 250,660 million was invested in manufacturing during the First Plan. Large foreign investment have also taken place in this sector in 445 projects. The Second Five Year Plan envisages a growth rate of 13 % in industrial output.

Indonesia's balance of trade has been favourable since 1970 and has steadily risen over the past four years. Imports over the same period recorded high growth rate from $ 1,001 million in 1970 to $ 3,472 million in 1974 with an annual growth rate of 36 %. Machinery imports more than doubled between 1972 and 1973. However in 1974 they declined from 22 % to 11.6%.

The main reason was the slackening pace of foreign investment and stagnation of industrial output and domestic investment because of the credit squeeze imposed to curb inflation. The imports of motor vehicles increased significantly from $ 47 million in 1970 to $ 258 million in 1974. Large quantities of rice were also imported in 1974 to overcome the shortage. Rice imports amounted to $ 253 million in 1974 as compared to only $ 82 million in 1973. Other major imports were chemicals, cotton yarn and textile fabrics accounting for 1.5 % and 4.9 % respectively.

The bulk of Indonesia's exports are sold to industrial nations. The offtake by Japan alone accounted for 40 % of total exports in 1974, and the U S A for 17%. Other major importing countries are the Netherlands, Singapore and Germany. Indonesia's chief suppliers are Japan, U S A, Germany, Singapore and Hong Kong, the share of the first three being 27 %, 14% and 8 % of total imports into Indonesia.

RELATIONS WITH PAKISTAN

From 1971-72 to 1973-74 Pakistan had a trade surplus with Indonesia which grew at an annual rate of 164%. However in 1974-75 Pakistan's exports to Indonesia declined drastically from Rs. 932 million in 1973-74 to only Rs. 131 million, a fall of about 86 %. At the same time imports from Indonesia increased by 170 % which resulted in a complete reversal of earlier trends, i. e. a deficit for Pakistan of Rs. 192 million in the balance of trade.

Looking at the commodity-wise trends in exports in 1972-73 a major change took place in the composition of exports to Indonesia. Exports of cotton yarn which had accounted for 96% and 36% of total exports in 1971-72 and 1972-73 respectively declined to 21.7% in 1973-74. On the other hand exports of rice increased by 74%. Rice had emerged as a new export item in 1972-73 due to crititcal rice shortage in Indonesia. In fact, had it not been for the huge rice exports Pakistan would have had

a deficit in its trade with Indonesia in 1973-74. In 1974-75 rice exports also fell drastically (2.4 lakh tons was exported in 1973-74 declining to only 4,377 tons in 1974-75). Exports of medical and Surgical instruments also declined. Cotton cloth exports ceased completely in 1973-74 and 1974-75.

Pakistan imports from Indonesia have risen steadily since 1971-72. The annual average growth rate during 1971-72 to 1974-75 being 137%. Of these imports, tea and palm oil together accounted for about 97% of the total in the last two years. The import of vegetable oil (palm oil) in large quantities since 1973-74 has made it the largest item on the import list—78% of the total. Other imports are not significant, their combined share in the total imports being less than 2%.

IRAN

Basic data

Area	1,648,000 sq. km. or 636,000 sq. miles.
Population	34.1 million – Growth rate 3.1 %
Capital	Tehran
Important Cities	Zahedan, Meshed, Khorasan, Tabrlz.
Language	Persian
Climate	Extreme. The Carpian littoral is humid and sub-tropical while the central deserts are almost completely dry. Annual rain-fall varies from an average of 2 inches to 40 inches.
Currency	Rials Rls. 82.2425=SDR 1 Rls. or 68.17= 1 U. S. $
Weights and measures	Metric System.

General Economy

Iran's chief natural product is oil. The exploitation of oil resources was undertaken by the Anglo-Persian Oil Company in 1951. Most of the country is barren. Iran produces cotton and is self supporting in food. The Green Revolution has changed the complexion of the economy by raising the living standard of the masses.

		1972-73	1973-74	1974-75
Gross National Product (in Billion Rials)		855.6	969.7	1,112.2
Per Capita Income		US $ 1,259		
Trade with Pakistan		1971-72	1973-74	1974-75
(U. S. $ m.)	(Exp)	4.2	33.3	60.0
	(Imp)	13.1	22.4	11.8

IRAN

Iranian history represents a rich blend of legend, mythology, recorded fact and living tradition. Several civilizations have risen in various parts of the country at different times, each leaving its own impression on the subsequent development of Iranian history.

Iran is a large country in the Middle East forming the western part of Asia and the easternmost part of the Mediterranean world. It covers most of the great Iranian Plateau which lies between Mesopotomia to the west and China to the east, the steppes of Russia to the north and the Persian Gulf and the Sea of Oman to the south.

Since the mid-1950 s, the Iranian economy has grown rapidly, and from the mid-1960 s, when there was a further surge of economic octivity, the growth record has been remarkable-averaging over 10% annually. The Gross National Product at constant market prices increased by 58% in the Third Five-Year per-Plan (1963-67) and by 70% in the Fourth Five Year Plan period (1969-72). At the start of the Fourth Five-Year Plan in March capita GNP was estimated to be about U. S. $ 480 compared to U. S. $ 270 in 1968. An additional boost was given to the economy in 1971 as a result of new financial arrangements with the consortium of major oil operating companies and a further substantial boost was gained from the take-over control on oil exploitation in May, 1973.

The Fifth Five-Year Plan (1973-77) projects a continuation of the very high rate of economic expansion with a traget growth rate over the Plan period of 25.9 percent annually in real terms. In the light of the recent changes in the ownership and prices of oil; this appears to be a realistic target. If it should be achieved, per capita GNP would approach $ 1,521 by 1977.

The Government is aware, however, that the rapid economic growth of the past decade has not benefitted all sectors of the population equally, and to some extent the rural population has failed to share in the nation's increased wealth. Priority in the Fifth Plan, therefore, is given to the twin objectives of accelerated agricultural development and expansion of social welfare services as a means of improving income distribution and increasing employment. Very substantial budget allocations have been made for the social sectors, and a major agricultural development programme is proposed in order to reach a target growth rate for agricultural production of 7 percent per annum.

Iran's population is pre-dominantly rural, with 57 % of the population (in 1972) living in rural areas. The recent high rate of urban migration is expected to continue and the proporton of rural population as compared to the total population will decline to reach approximately 50% by the end of the decade. Although the growth rate is declining, the population will continue to grow and the rural population will continue to increase in absolute numbers; it is expected to rise from the current 17.9 million to about 20 million by the mid-1980's. The rural labour force is similarly expected to grow over the next decade, rising from a little over 5 million at the present time to around 6 million by 1980.

The area of Iran is somewhat larger than Western Europe but has only 15 %of Europe's population.

Iran's resources of ground water and surface water have

not been clearly evaluated, but they are relatively large. There exists a massive but incomplete system of surface water storage, diversion and distribution works. Iran has abundant land suita ble for cultivation, a large proportion of which could be developed if irrigation water were available.

The land reforms were concluded officially in 1971. In practice, however, all that was concluded was the re-distribution phase, and the Government is now engaged in the long and complicated task of raising the socio-economic conditions of the beneficiaries of the land re-distribution.

The Iranian economy continued to experience a high rate of real economic growth during 1975. Although value added in the oil sector remained virtually unchanged, the industrial and service sectors expanded at a rapid pace. In part, Iran's growth momentum was sustained by a substantial increase in budgetary outlays. Public investment in fixed capital formation more than doubled, adding basic strength to the economy. The increased availability of foreign exchange permitted a considerable inflow of real resources from abroad as well as a net capital outflow in the form of debt repayment and foreign assistance and investment.

The rate of growth of domestic liquidity exceeded considerably the rate of real growth, and as a result, the upward trend in domestic prices intensified. The inflationary situation became a primary concern of the Government, and determined actions were taken to moderate price movements. Through mid-year, the major effort in this regard was the imposition of price controls.

Recent economic developments in Iran have been considerably influenced by a sharply higher level of Government expenditures permitted by the rapid growth of revenues from the oil sector. During 1974-75 oil sector receipts, as recorded in the budget, rose by nearly 300 per cent.

The increase in public spending, coupled with continuing vigorous activity in the private sector, provided a strong stimulus to the economy, as the augmented level of total aggregate demand exceeded the substantially expanded supply of goods and services, the inflationary pressures operating in the Iranian economy were intensified.

The steep rise in the Government's new domestic expenditures was the primary cause of an increase in the supply of money and quasi-money by 61 per cent during 1974-75 as compared to 29 per cent in the previous year.

The large injection of liquidity into the economy resulted in a sharp build-up in demand pressures which were quickly reflected in a rapid rise in the cost of living index despite an extensive programme of subsidization of basic commodities. Price increases, which had averaged 3 per cent on a quarterly basis during the previous 12-month period, accelerated to an average rate of 6.5 per cent per quarter during the first half of 1975. Consequently, the authorities introduced measures to stem the inflationary thrust. Severe price controls were imposed.

The counterpart of the expansionary fiscal policy initiated in early 1974 was a balance of payments policy designed to encourage the flow of goods and services from abroad. Cost and quantitative restrictions on imports were reduced and restrictions on access to foreign exchange for all purposes were effectively eliminated.

The Government is intending to restrain the growth in government expenditures in 1975-76 and 1976-77 in order to moderate demand pressures and ensure more stable economic growth. While the revision of the 1975-76 budget had not been finalized, the objective was to keep expenditures as close to the original budget estimates as possible.

With regard to monetary policy, there is a move to

establish policies designed to complement the restraint intended in fiscal matters. Credit ceilings on commercial bank lending are being implemented on a quarterly basis.

In any case, in 1976-77, the emergence of a considerable balance of payments deficit coupled with continuing restraints in monetary and fiscal policies would be expected to result in reducing the rate of growth of domestic liquidity.

High priority is being given to developmental projects designed to expand the transportation, infrastructure and to improve the synchronization of deliveries with the placement of new import orders.

In 1976-77 a reduced net deficit is expected on the capital account due to the planned sizable borrowings in the international markets by certain public agencies. However, a considerable balance of payments deficit is expected to exceed the forecast increase in oil receipts.

In view of the evolving balance of payments situation, a large proportion of the reserves is being kept in highly liquid assets.

RELATIONS WITH PAKISTAN

Under the cover of RCD (Regional Co-operation for Development), both Pakistan and Iran have marched forward in the development effort and are expected to make a head-way in economic relations on unique lines. Apart from this regional grouping relations between Pakistan and Iran on bilateral basis have always been strong and close.

IRAQ

Basic data

Area	173,000 sq. miles
Population	10.8 million – Growth rate 3.4%
Capital	Baghdad
Important Cities	Basra, Nineveh, Najaf, Kirkuk, Kerbela
Languages	Arabic official. Kurdish also used.
Climate	Extreme with hot and dry summers and cold winters.
Currency	Dinar 0.29 = 1 U. S. $
Weights and measures	Metric system

General Economy

The main source of wealth is oil, annual production being more than 67 million metric tons. Iraq is the major world exporter of dates. Wool is also an imortant export item. Iraq is still relatively under-developed industrially but work has begun on 13 new industrial plants which are being established with Soviet equipment and technical assistonce,

Gross National Product	3,370
Per Capita Income	370

U. S. $ million

World Trade	(Exp)	1184 m.
	(Imp)	713 m.

Trade with Pakistan		1972-73	1973-74	1974-75
	(Exp)	10.5	20.9	31.6
	(Imp)	0.6	0.8	19.0

IRAQ

The bulk of the population is engaged in subsistence agriculture, the tending of herds of sheep and goats and the production of cash crops, mainly dates, cotton, barley and other cereals. Petroleum is a major industry, employing about 15,000 Iraq workers. It is estimated that 1,400,000 workers are employed on agricultural holdings, 22,000 in transport, 92,500 in manufacturing industry and about 100,000 in commerce.

Iraq is one of the leading oil producing countries of the world. Native companies, and American and other interests comprising the Iraq Petroleum Co. operating the rich Kirkuk field, produced 400,000,000 bbls. in 1967, a drop of 100,000,000 bbls. from 1966. Iraq accused the Western controlled company of sabotaging one of its pipelines in December, 1967. In the same month Iraq announced signing of an agreement with the USSR to develop rich new fields in Iraq.

The sharp rise in oil prices has been the primary cause for changes in the proportion of the contribution of the petroleum sector to Government revenues in recent years. From an average of 58 per cent during the seven-year period ended 1972-73 the proportion of oil revenue to total revenue of the Central Government increased in fiscal 1973-74 to reach nearly 81 per cent. In fiscal 1974-75 preliminary data indicated that the proportion of oil revenue continued to rise and is estimated to have accounted for 90 per cent of total Government revenue. Budget estimates for the nine-month fiscal period April-December 1975 indicated

that the proportion of oil revenue to total revenue continued to be of the same order of magnitude as for fiscal 1974-75.

The exchange and trade system of Iraq has undergone important changes in recent years. The degree of restrictiveness of the system has varied in approximate correlation with developments in the petroleum sector. In 1972, as a result of the fall in oil revenue after the nationalization of IPC, the import programme was cut back, and various other restrictive measures were taken. Following the increase in petroleum production in 1973, relaxations began and foreign exchange allocations enhanced for the 1973-74 import programme by 50 per cent. Further relaxations ensued during the year. In May 1973 the restrictions on the transferability of incomes of foreigneres employed or residents in Iraq were removed, and in July the basic exchange allowance for tourist, business and health travel by Iraqi nationals were increased. In September the magnitude of the 1973-74 import programme was raised by 57 per cent. The final disbursements under the import programme at ID 691 million were nearly twice the original planned allocations. Late in 1973, Iraq suspended exprots of petroleum to the U. S., Denmark, the Netherland and Portugal; the embargo was removed in 1974.

An 8.9 % growth is expectd in this sector as against the 19 % growth marked in 1973 with constant prices. The growth rate in the entire manufacturing industry was 8.3 % with constant prices and 42.6 % with current prices. The growth rate in this sector in 1974 is above last year's and is estimated at 11.6% with constant prices and 89.9 % with current prices.

JORDAN

Basic data

Area	37,5000 Sq. miles
Population	2.6 million – Growth rate 3.3 %
Capital	Amman
Important Cities	Zarka, Irbid, Balqa, Karak, Jerusalem Nablus and Ma'an
Language	Arabic
Currency	Jordan dinar : 1 JD=SDR 2.57895 1 JD=£ 1.15 or 0.32 JD=1 U. S. $

General Economy

The country is largely desert; north-western part is potentially of agricultrual value but entirely dependent on rainfall. The Government is giving high priority to expanding agricultural production and continuing its efforts to reduce dependence on rainfall. The East Ghor Canal System is being extended and a dam is under construction at the Zarka River. Agricultural sector accounts for about 20 % of the GDP, 25—40 per cent of exports and provides employment for approximately one third of the labour force. The industrial and mining sector's contribution to GDP is 14 %, whereas whole-sale and retail trade contributes around 5 %.

					U. S. $ million
Gross National Product		1971	1972	1973	1974
		611	678	740	937
Per Capita Income		U. S. $ 260			
World Trade		1971	1973	1974	1975
	(Exp)	32	62	128	160
	(Imp)	213	278	402	555

Trade with Pakistan		1974-75	1973-74	1972-73
	(Exp)	1.2	1.7	0.7
	(Imp)	1.1	0.8	0.7

JORDAN

In the period 1967-71 the Jordanian economy suffered a number of servere setbacks. In addition to the disruptions caused by the outbreak of hostilities and the occupation of the West Bank in mid-1967, the level of economic activity was further depressed in 1968 by the decline in the agricultural production. The economy experienced a recovery in 1969 as a result of sharp increases in the agricultural output, Government expenditures and construction activity. However, this brief recovery was halted in 1970 by the civil disturbances which caused severe blows to the economy and extensive damage to production facilities. These events, coupled with a poor harvest, resulted in a 5 per cent drop in GNP at current prices and 11.6 per cent in real terms.

Following a moderate recovery in 1971 as a result of an expansion in agricultural and industrial production, economic activity accelerated sharply in 1972, reflecting further expansion in both sectors. The improvements were mainly due to good weather conditions and return of political stability. The performance of the economy was satisfactory in 1973 despite a severe drought which reduced agricultural output. The impact of the poor agricultural crop on the overall level of economic activity was mitigated by substantial increases in public and private investment outlays financed by large capital inflows.

The agricultural sector in the economy accounts for about 20 per cent of the GDP, 25–40 per cent of exports, provides employment for approximately one third of the labour

force. Agricultural production, however, is characterized by considerable fluctuations resulting from its dependence on rainfall, the timing and quantity, which varies frequently. These fluctuations in output are particularly pronounced in the case of wheat, barley and other crops, which are cultivated mostly in rainfed areas, whereas fruits and vegetables, the other major agricultural products, are grown in both irrigated and rainfed areas and therefore show less marked fluctuations. The Government has taken measures to improve and stabilize agricultural production, but the pattern of rainfall remains the dominant factor in the level of agricultural production.

The industrial and mining sector in Jordan, though small, is growing at a rapid rate. The contribution of industry and mining to GDP increased from 10.4 per cent in 1970 to 14.0 per cent in 1974. The performance of this sector is primarily influenced by a few leading industries, i. e. phosphate, cement, petroleum refining, textiles and iron. Other principal industries, which include the food and beverage industry, produce mostly for domestic consumption.

Jordan experienced considerable price stability for a number of years prior to 1967 and for some time thereafter. Prior to 1967, monetary expansion was accompanied by large increases in output whereas in the subsequent period it was almost entirely absorbed by the shift in liquidity preference in favour of cash holdings because of the unstable politcal conditions. In the period 1967-71 the Amman cost of living index, considered to be the best available price index for Jordan, increased at an average annual rate of 4.6 per cent. In more recent years, however, inflationary peressures have gained momentum. In 1972 the index rose by 8.2 per cent and the rise accelerated to 10.4 per cent in 1973 and to 20 per cent in 1974.

The rapid increase in the rate of inflation was due to both external and domestic factors. The external factors included higher import cost, and increased demand for Jordanian

products and labour resulting from the sharp rise in income of neighbouring Arab countries. The domestic factors related to the sharp rise in liquidity brought about by the large Government domestic expenditures financed from external sources, and a high rate of expansion in credit to the private sector.

The National Planning Council prepared a Three-Year Development Plan which went into effect in January 1973. The general objectives of this Plan were the creation of new employment opportunities, achievement of a high growth rate in output and reduction in budgetary reliance on external grants and loans and in the size of the trade deficit. The growth targets of the Plan were: average annual increases (at constant 1972 prices) of 8.0 per cent in GDP, 10.0 per cent in domestic revenues, 16.4 per cent in exports, and 7.5 per cent in imports. Employment is expected to be increased by 70,000 by the end of the Plan period.

The Central Government's total outstanding debt, including guaranteed external debt, but excluding military debt, has increased substantially since 1970 and stood at J D 138.6 million at the end of 1974.

Jordan's trade deficit increased steadily, from SDR 149 million in 1970 to SDR 273 million in 1974. The main reasons for the increase in the deficit were the small base of exports and increasing level of import payments. During the same period exports as a per cent of imports fluctuated from a minimum of 15 per cent to a maximum of 32 per cent. Re-exports, consisting mainly of agricultural products destined from the Arabian Peninsula, tripled to J D 10 million in the 1970-74 period.

KUWAIT

Basic data

Area	6,000 Sq. miles
Population	0.9 million — Growth rate 9.8 %
Capital	Kuwait
Important Cities	Ahmadi, Hawali
Language	Arabic. English used as second language
Currency	Dinar 0.29= I U. S. $
Weights and measures	Metric System.

General Economy

Formerly dependent on dhow building, pearling and maritime trading, this small, barren state assumed international importance following the discovery of a rich petroleum field at Burgan in 1938 (production started in 1946) and subsequently also in the Kuwait-Saudi Arabian Neutral Zone. Kuwait is one of the best equipped of the world's states in public works, medical and educational services. Kuwait is a flourishing port and is being developed as an outstanding example of town planning. Its sea-water distillation plant is the biggest in the world, and there are several power stations. It is the world's richest State.

				U. S. $
Gross National Product		1972-73	1973-74	1974-75
		5,314 m.	7,179 m.	10,980 m.
Per Capita Income		5,904	7,576	11,090
World Trade	(Exp)	237 m.	397 m.	—
	(Imp)	1,056 m.	1,547 m.	1,800 m.
Trade with Pakistan	(Exp)	8.6 m.	14.8 m.	—
	(Imp)	19.2 m.	50.3 m.	20.0 m.

KUWAIT

Kuwait is the modern world's nearest equivalent to El Dorado. With a pupulation less than a million it has an annual income higher than many industrialised states and a per capita income highest of all. It is hospitable and willing to share its desert riches, offering open ground for technicians and traders, professionals and work-hands. There is hardly a country in the world with something to sell that isn't there competing for the Kuwaiti dinar.

Its own imports too have nearly doubled over the period, but at still less than 2,000 million dollars, it leaves the country with an enormous balance of payment surplus. Even after the vast internal development expenditure of about 3,400 million dollars, the yearly saving is impressively high probably the highe-st in the world.

Work is picking up in areas apart from oil. A vast petrochemical complex is being set up at a cost of 34.00 million dollars. The West Germans are helping to set up a ship building and repair yard, due to start work early next year. It will be a big facility in oil transportation. The country has a burgeoning oil refining industry. Plans are in hand for further expansion and addition of new capacity. A number of power projects are also being planned. The most notable of these would be a 600 megawatt nuclear power station which is planned to be completed over the next ten years. Construction and service are other major industries.

Ambitious social service programmes in health, housiug, and education facilities are seeing construction of hospitals, schools and houses, mosques, motorways, sports and assembly complexes, university expansion and a new air terminal. The sea water distillation plant is already the largest in the world, and more plants are on the drawing board.

Kuwait's participation in joint ventures in some of the crucial sectors is similarly worldwide. Some of the most important of these so far are with Yugoslavia, Egypt, Sudan, Romania, Brazil and Senegal. The country is financing a 350 million dollar oil pipeline from Yugoslavian Adriatic coast through Hungary to Romania. It is providing half the finances for a Romanian petrochemical project costing some 1,C00 million dollars. In Egypt it is engaged in a number of projects. Besides its massive backing for the pipeline, it is supplying half the capital for a shipping company (300 million dollars), an investment company (25 million dollars), a hotel and tourist organisation (10 million dollars) and a fisheries concern (7 million dollars). Joint ventures with Jordan and Syria with a capital of 170 million dollars are also in hand.

No less significant than its foreign investments have been its loan operations. The country has already established itself among the world's most munificent aid giving. The Kuwait Fund for Arab Economic Development has already become a slight misnomer. Set up in 1961 to assist Arab states in developing their economies, the Fund has had its scope extended to all the other fields in 1974. Loans are granted for national or regional development needs in any sector and even semi-government and private organisation of a country can benefit if so engaged. Interest rate is determined by the circumstances of the recipient country. Normally it is 4 per cent, but can be even less for a less developed country like Yemen. Upto 1974-75, the Fund had granted 54 loans to African and Asian countries totalling

547.4 million dollars, and a further 4 million in 20 technical assistance grants. During 1974-75 also some 10 new loans and six technical assistance grants were approved. In addition, no less than 40 projects are under consideration, spread over more than 20 countries of Africa, Asia and the Arab world. Missions of the Fund have been touring Asian and African conutries over the past two years to get first-hand information of needs.

Even more impressive is Kuwait's record of multilateral assistance. Its reserves with the IMF, comprising fareign exchange, gold and SDRs, increased from 675 million dollars in March 1974 to 1,710 million dollars by the end of that year. Its contribution to the Fund's Oil Facility is now to the tune of 480 millian dollars. It is also the largest purchaser of World Bank Bonds: an amount of 400 million dollars. And it is contributing 1,000 million dollars to an Economic and Social Development Fund for non-aligned nations.

Yet another dimension is multilateral assistance on regional basis. The country holds a 30 per cent share in the Arab Fund for Economic and Social Development. It participates in the OAPEC's assistance operations for the non-oil Arab States. Further, it shares substantially in OAPEC's joint projects like the Arab Petroleum Investment Corporation, the Arab Maritime Petroleum Transportation Company, the Arab Shipping Company and the Dockyard Project. The Central African Development Bank is to receive 5 million dollars as Kuwait's share to its capital. And the country has raised its share in the Arab Investment Corporation nearly five times, from 8 million to 38 million dollars, which is 20 per cent of the total.

The Kuwait Fund for Arab Economic Development represents its Government at international conferences concerned with development problems of the Third World, such as the International Food Conference held in Rome in 1974 and the non-

aligned countries' Economic and Social Development meeting in Havana in 1975. It also maintains contact with international, regional and national institutions concerned with the development of the Third World, like the IBRD and the African and the Asian Development Banks.

It is thus difficult to name a country that is not only more richly endowed, but that is also extending the benefits of its endowment more widely, more productively, and more compulsively, It isn't just that this desert is abloom; it is spreading its fragrance far and wide, where it is most needed.

Kuwait's oil reserves stood at 10 billion tons which are about one-fifth of the worlds proven reserves. Kuwait had been the third largest exporter behind Saudi Arabia and Iran. In just over a decade, production had grown from below 3 million to over 80 million tons a year. Production remained on the upswing throughout the Sixties, rising from 600 million barrels in 1961 to 1,000 barrels in 1971.

Rising production and increased exports have given a fillip to the economy of Kuwait. It is through this giant source that the economy of Kuwait is flourshing into a prosperous nation.

A cursory sectoral examination of the economy shows that in terms of employment the dominant position is held by services, which in its ability to absorb labour is the counterpart of agriculture in most developing countries. The distribution of the gross domestic product among the major sectors in 1965-66 was, mining and industry accounted for 69.9 per cent of which the lion's share (60.7 per cent) was derived from oil while services represented about 29.7 per cent. Agriculture and fishing contributed unbelieveably small portion of 0.4 per cent. The imbalance is apparent in the estimate that the contribution of manufacturing (other than oil-related industries) combined with agriculture accounted for only 2.2 per cent of the GDP, making

this share one of the lowest for these sectors in the world. By any standards, the oil industry is the leading sector except in its capacity to employ. Its growth rate has been high, in absolute and relative terms, in comparison with that of other sectors.

For Kuwait the sectoral leadership of oil is more drastic and dominant than is the case of almost any other nation. This is primarily because there is no agricultural base. Yet there are three conditions ameliorating the entrenched sectoral imbalance.

—Kuwait belongs to the "late-comers" which have at their disposal the great backlog of technological innovation evoled by the major advanced countries through their development.

—Kuwait through its capital surplus, could facilitate the application of these technological advances by procuring the equipment and services necessary. It could likewise become a leader, albeit on a modest scale, in eventually bringing about technical break-throughs in problems peculiar to the region, such as the anti-desert attack, water resources and natural gas and oil based industrial research.

—Kuwait's oil sector encompasses more than the "primary" element of supply which yields a growth rate that could be higher than that of other sectors through innovation and advances in technology; it includes "derived" growth elements closely related to the increase in demand which reflects the expansion of population, industrial production and the increase in real income.

LEBANON

Basic data

Area	4,015 sq. miles.
Population	3.0 million — Growth rate 2.7 %
Capital	Beirut
Important Cities	Zahle, Tripoli Siden
Language	Arabic. French and English widely spoken.
Climate	Mountainous country. About 1/2 lies at an altitude of over 3,000 ft.
Currency	Lebanese pound 2.35=U. S. $
Weights and measures	Metric system.

General Economy

The general standard of living is the highest among the Arab countries, based in part on emigrant remittances, on a large entreport trade, and a growing tourist industry, which supplement the agricultural assets of tobacco, fruit, and silk.

U.S. $

Gross National Product		1972		1971
		2,030 m.		1,281 m.
Per Capita Income		1972		1973
		730		900
World Trade	(Exp)	198 m.		
	(Imp)	568 m.		
Trade with Pakistan		1971-72	1973-74	1974-75
	(Exp)	1.0 m.	1.8 m.	3.0 m.
	(Imp)	0.1 m.	0.08 m.	0.1 m.


NSC

LEBANON

The Lebanese economy experienced a high rate of growth in the decade ended in 1966, exceeding 6 per cent per annum in real terms. With the restoration of political stability, the increasing oil income accruing to the region and the resurgence of confidence, economic activity recovered in the course of 1970 and gained momentum in 1971.

The economy is dominated by and heavily dependent on the service sectors and this dependence has increased in recent years ; these sectors accounted for 59 per cent of GDP in 1966 and rose to about 63 per cent in 1971, with commerce alone contributing one third of the GDP. Among the commodity-producing sectors, agriculture bore the brunt of the group's decline in the GDP share, falling from 11.4 per cent in 1966 to about 7.9 per cent in 1971. Industry, on the other hand, increased its share from 13.2 per cent in 1966 to 13.9 per cent in 1971.

With the economic recovery firmly setting in toward the end of 1970, GDP at current prices grew at the rate of 12 per cent in both 1971 and 1972. Since the rate of price increase accelerated in 1972, real economic growth must have been higher in 1971, probably in the neighbourhood of 8 per cent. In 1972 growth appears to have been slightly in excess of 6 per cent. This deceleration in growth reflects a slowdown in 1972 in the production of a number of industries.

The agricultural policy aims at promoting the expansion and diversification of agricultural production. Much emphasis

is being directed toward irrigation which is the major constraint to the growth of agricultural production.

Net imports of agricultural products which amounted to L £ 304 million in 1971 declined to L £ 274 million in 1972; in 1965-66 they averaged L £ 250 million.

Although good weather conditions certainly helped the agricultural performance in 1971 and 1972, greater inputs and technical progress also played their role. Inputs of fertilizers and tractors have risen significantly and have been stimulated by a generally rising price trend for agricultural products since 1969. There have also been greater efforts toward introducing better varieties of wheat and combating pests both in careals and orchard - growing areas.

Industrial activity in Lebanon is concentrated mostly in light industries, producing consumer goods and supplying inputs to the construction industry. The largest industries in terms of capital and employment are food processing and textiles; they are followed by the building materials industry and the metal industry. Together they account for one half of the invested capital in industry and 49 per cent of the labour employed.

Since 1967 the average growth in industrial production has been of the order of 12 per cent a year. Between 1967 and 1970 it averaged 10 per cent a year, a substantial acceleration over the first half of the 1960s, despite politcal disturbances and recessionary conditions which prevailed during that period. In 1971 it accelerated further to 15 per cent, and in 1972 industrial production grew by 16 per cent. However, the increase in prices was larger in 1972 and it appears that production in real terms did not grow as fast as in 1971. The pick-up in construction activity and a sustained rapid growth of export demand were the major reasons for this expansion.

Lebanon receives over a million tourists a year with

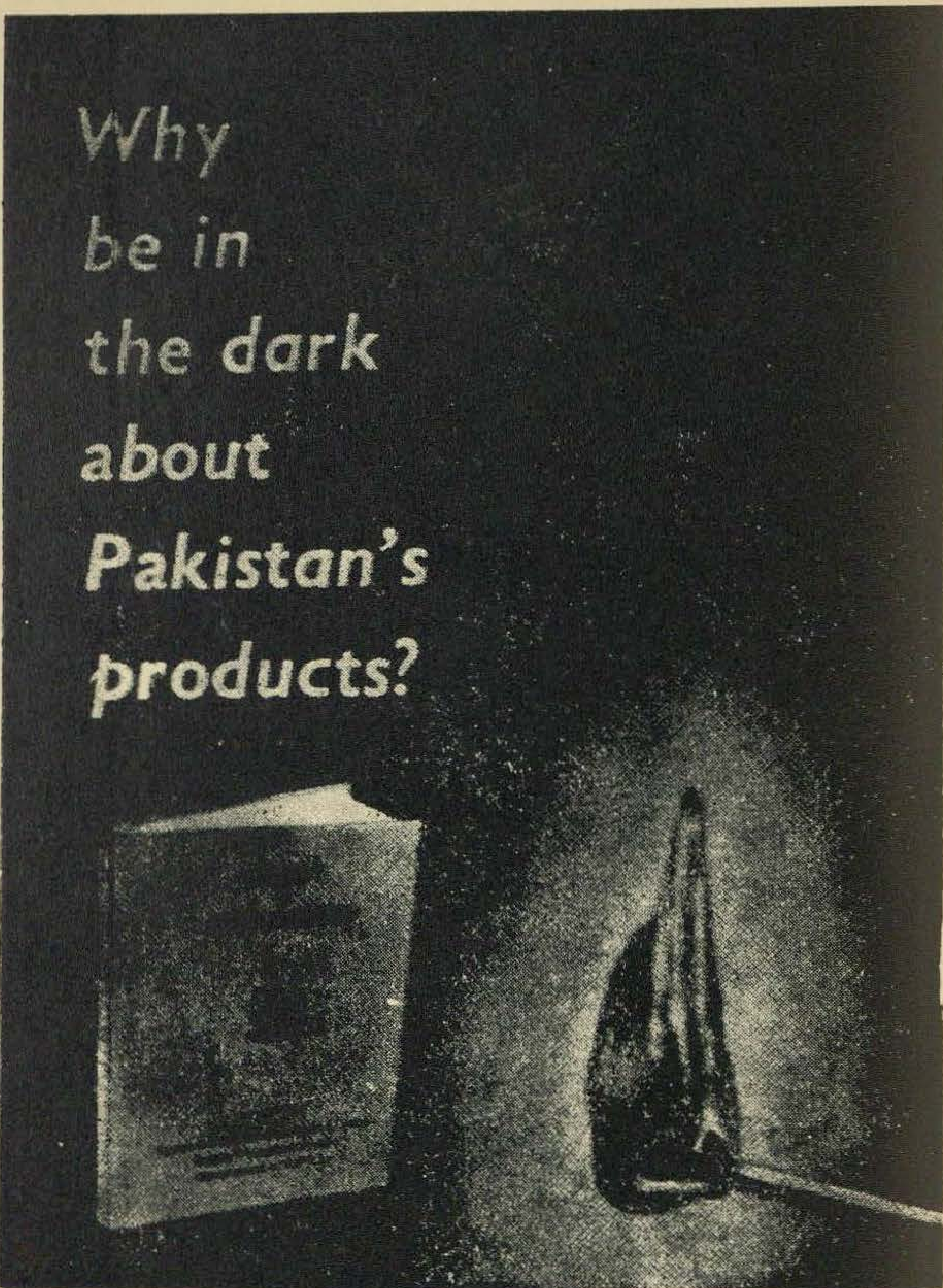
expenditures exceeding L £ 600 million. As a major component of invisible earnings, these expenditures offset to some extent the large foreign trade deficit. They also account for roughly 9 per cent of GDP and have been an important stimulus to economic development.

There has recently been a marked change in the rate of increase in prices. Between 1966 and 1971 the price index show an annual rise of 1.8 per cent.

In recnet years a diversification of Lebanon's external markets has taken place. The heavy dependence on Arab countries for exports has been somewhat reduced: their share of total exports declined form 67.4 per cent in 1968 to 58.1 per cent in 1972. The expansion in Lebanon's export markets mostly occurred among "other countries" toward which exports increased from 9.9 per cent in 1968 to 14.3 per cent in 1972.

The share of imports from Western Europe, Lebanon's traditional market, remained roughly stable overe the 1968-72 period at about 57 per cent. This resulted from two opposite movements: a greater concentration of imports from the original members of the EEC and a steady decline of the import share from the United Kingdom, traditionally Lebanon's major source of imports.

Of the many attempts at formulating a development plan the most comprehensive and ambitious is the Six-Year Plan for the period 1972-77. It was approved in February 1972 and budgetary appropriations for some of the projects formulated under the plan were passed by the Parliament in the course of 1972 and 1973. The basic objectives of the Plan are to increase the rate of growth to an annual rate of 7 per cent, to diversify the economy, to increase employment opportunities, to strengthen the current account of the balance of payments, to reduce income disparities among groups, and to bring about a balanced development of different regions of the country.


Why
be in
the dark
about
Pakistan's
products?

LIBYA

Basic data

Area	679,000 Sq. miles
Population	2.1 million — Growth rate 3.7 %
Capital	Tripoli
Important Cities	Benghazi, Sebha, Zawia, Homs, Derna, Ubari
Language	Arabic
Currency	Libayan dinar 0.29= I U. S. $
Weights and measures	Metric system

General Economy

The country is mainly desert, and agriculture is confined to the Oases and the coastal strip. Exports include wool, cattle, esparto grass, olive oil, sponges, and petroleum. The average annual cereal production of the whole of Libya is around 110,000 tons.

		U. S. $		
Gross National Product		3,820 m.		
Per Capita Income		1,830		
World Trade	(Exp)	2938 m.		
	(Imp)	1043 m.		
Trade with Pakistan		1972-73	1973-74	1974-75
	(Exp)	2.5 m.	6.9 m.	6.0 m.
	(Imp)	0.7 m.	1,000	49,000

LIBYA

Libyan Arab Republic, which spreads over 0.68 million square miles of North Africa, has 2 million people, growing at annual rate of 3.7 per cent. Oil (which was discovered in 1952 and first exported in 1962) accounts for 99 per cent of her export earnings although it employs only 5 per cent of the country's labour force. Per capita income in 1960 was less than $ 260. The National wealth, however. started growing rapidly after 1962, when rich oil deposits were discovered, and exports galloped. In 1969, the national income was about $ 2.5 billion. In 1971-72 it was estimated to be over $ 3.8 billion. This has pushed the per capita income from $ 818 in 1965 to $ 1514 in 1969 and to $ 1830 in 1972. This represents a growth rate of 16.2 per cent per annum—highest in the world and unmatched by any of the performance during the post World War economic history.

The foreign reserves of Libya are growing rapidly. The reserves were over $ 3.5 billion in October, 1972.

Libya's First Five-Year Plan was formulated in 1963. The combined effect of the expanding oil activity and the large scale programme of public investment undertaken within the framework of the First Five-Year Plan led to an impressive growth for the economy as a whole. When the First Plan came to an end in 1968 it was decided to add another year to its life in order to complete a number of unfinished projects. The total allocation under the First Plan came to LD. 480 million.

As a result of the discovery of oil the structure of Libyan economy has altered drastically over the past decade. The relative contribution of agriculture and industry to the economy fell as a result of the enormous growth of oil sector which dwarfed all other sectors with one notable exception: construction rose exceptionally fast, advancing at an average growth of 30 per cent in real terms every year between 1962 and 1968 owing to the phenomenal increase in demand by the Government, the oil companies and the private sector. As a result of the Government concern to develop physical infrastructure of the economy no less than three quarters of public investment went to finance construction. The oil companies too, set up facilities such as pipe lines, terminal and other structures necessary for the outflow of petroleum. Construction of dwellings and offices also increased in response to a great demand from the private sector. Both agriculture and manufacturing industry advanced in absolute terms but could not keep pace with either petroleum or construction. Public assistance to both agriculture and industry have been lavish, but agriculture was beset by inadequate water supply, and declining labour force due to mass movement of people to cities as a result of the oil boom.

The strategy of the there year development plan tries to remove encumbrances and anomalies in the economic and social structure, more prominent of which is the trend taken by the pattern of growth in the Sixties which created a high rate of growth resulting from the increase of production of crude oil without giving adequate attention to agriculture and manufacturing. Moreover, regional development was distorted, villages and rural areas were neglected, maldistribution and wide variations in income were manifest, a rather acute inflation occurred, and social services, especially eduction, health and housing were erratic.

The achievements of the 1972 Plan and the extent of its

implementation have been taken into account in elaborating the strategy of the Three-Year Development Plan (1973-75).

The strategy of the Plan aims at achieving maximum rate of growth of the national economy as a whole and, simultaneously, diversification of the economy by acceleration of rates of growth of the main economic activities while maintaining a reasonable rate of growth of crude oil production. This aim gains stimulus from all main economic activities, giving greater weight to the two main production sectors, i.e. agriculture and manufacturing. As for petroleum the aim is to keep its production rates at a technically and economically reasonable level. Therefore it is envisaged that the agricultural and manufacturing activities will play a major role in economic growth. The vast development of agricultural and manufacturing programmes which have been launched and whose allocations have been earmarked in the Plan constitute the main base for this role.

The real sources and uses are expected to increase from L D. 2,137.8 m. in 1972 to L D. 2,975 m. by the end of the Plan in 1975, at an annual compound rate of 11.7 per cent. As a result of the target investment programme and increase of gross fixed domestic investment at an annual compound rate of 31.5 per cent and the fixing of the annual rate of growth of petroleum mining at 5 per cent, it is expected that imports of goods, services and factor income will increase by an annual compound rate of 13.8 per cent. Consequently the surplus of the nation on current account is expected to decrease from L D. 220 m. in 1972 to about L D. 35 m. in 1975.

Increase in private consumption has been planned at an annual compound rate of 6 per cent. Gross savings will increase from L D. 605 m. in 1972 to about L D. 900 m. in 1975 to an annual compound rate of 14.2 per cent.

In order to achieve the development strategy and targets,

the Three-Year Plan has launched a very intensive investment programme of the volume of L D. 2,170 m. The rate of investment will be increased from 27.6 per cent in 1972 to 46.6 per cent in 1975.

The volume of investment in the current Three-Year Plan increases by L D. 648 m. over that of the previous Three-Year Plan—an increase of 42.5 per cent. Investment in the present Plan is equal to the total volume of investment implemented in the last ten years—1963-1972.

RELATIONS WITH PAKISTAN

Pakistan's trade with Libya has been small and mostly one sided in favour of Pakistan which can be gauged from the basic data.

One of the important reasons for limited trade with Libya is the absence of a direct shipping connection between the two countries. But Pakistani skilled and semi-skilled manpower is increasingly playing a role in the development of Libya.

Pakistan has made rapid development in certain technical fields compared with most of the Middle East countries.

Long experience in civil works has led to growth of Pakistani firms of consultants and contractors who are competent to handle large projects in competition with the European/American firms.

Already quite a large number of medical personnel are working in Libya.

MALAYSIA

Basic data

Area	128,370 Sq. miles
Population	12.1 million
Capital	Kuala Lumpur
Important Cities	Penang, Sarawak, Sabah, Pahang, Perak, Johore
Languages	Malay
Religion	More than half the population are Muslims 25 % Buddhists 10 % Hindus 5 % Christians
Currency	Malaysian Dollar 2.36 M. $ = 1 U. S. $
Weights and measures	Standard measures are the imperial yard, pound and gallon.

General Economy

The major thrust of the economy is on agriculture, forestry and fishing, manufacturing and construction. The public sector development is receiving priorities in the Second Plan.

M $

Gross National Product	1970	1972	1973	1974
	9951	11221	12450	19600
Per Capita Income	560 $			

U. S. $ m.

World Trade	(Exp)	2,545
	(Imp)	2,087
Trade with Pakistan	(Exp)	7
	(Imp)	71

MALAYSIA

Malaysia has an export-oriented economy based largely on primary production, with a population of about 12 million, of which approximately 55 per cent are Malay and other indigenous people (Bumiputra), 35 per cent Chinese, 10 per cent Indians and of other origins. Per capita income, at about $ 560, places the country in the upper range among the developing countries. Malaysia's exports are equivalent to about half of the GNP. In 1974 more than 80 per cent consisted of primary commodities; natural rubber accounted for 28 per cent of total exports; timber 15 per cent, tin 15 per cent, palm oil 12 per cent, and petroleum 7 per cent.

In the period 1962 to 1972 Malaysia enjoyed sustained economic growth, at an average of about 6 per cent per annum, with a marked degree of price stability. However, the country was strongly affected by the world wide economic boom and the subsequent recession during the period 1973—74. Real GNP which rose by 10 per cent in 1973, slowed down to 6 per cent in 1974, and is expected to increase by 1 per cent in 1975. Adjusted for changes in the terms of trade, real income rose by 20 per cent in 1973, but is expected to fall by 4 per cent in 1975. In the face of turbulent world conditions, the Government have been successful in moderating the effects of external developments on the domestic economy. The Second Five-Year Plan, which terminated in 1975, had generally been a success. Despite the economic downturn in 1975, the growth target of about 7 per cent a year appears to have been met.

The export-led economic boom that started at the beginning of 1973 reached its peak in early 1974 and turned into a stalemate later in the year, following the sharp decline in foreign demand for principal exports, especially rubber and timber. The recessionary tendencies became more pronounced in 1975, as the slackening of private investment and consumption demand reinforced the adverse impact of the decline in demand for exports.

Gross domestic product at factor cost increased by 18 per cent in 1974, compared with an increase of 27 per cent in 1973. At constant prices, the rate of growth of GDP slowed down to about 6 per cent in 1974 from about 10 per cent in 1973 and an average annual rate of 6.5 per cent during the period 1970-72. The rate of growth of GDP decreased further to a bout 2.5 per cent in 1975.

Rubber cultivation accounts for approximately 60 per cent of the cultivable land, employs more than one fourth of the labour force, and contributes about 16 per cent to GNP. In 1974, Malaysia accounted for 44 per cent of the total world production of natural rubber.

In November 1974, the Government announced a six-point programme intended to support rubber prices through cut backs in export supplies.

This programme which aimed at withdrawl from the market of about 5 per cent of annual world production, was intended as an interim measure, mainly to lessen the hardship of small holders. In the meantime, discussions were held with other natural rubber producing countries regarding an international buffer stock scheme that would stabilize rubber prices.

Rice is the second most important agricultural commodity in terms of land usage and labour employed. In 1974 rice

production increased by 4 per cent, compared with a 7 per cent increase in 1973. The increase was mainly due to higher yields that reflected the efforts made in recent years to promote wider use of fertilizers and high-yielding seeds and to expand irrigation facilities.

The food shortages experienced in 1974 gave impetus to the Government's drive towards expanding food production for domestic consumption, and in December 1974, the Green Book Plan was launched. This Plan embodies a decentralized approach towards achieving greater self sufficiency in vegetable, poultry, and livestock production by raising productivity and incomes in the agricultural sector.

Palm oil is Malaysia's second most important plantation crop and has been the main crop in the agricultural diversification programme. Malaysia is the world's largest producer and exporter of palm oil. New plantings of palm in 1974 covered an area of 63,300 hectares; more than half of the new planting was undertaken by the Federal Land Development Agency (FELDA) and certain other government agencies. By mid-1975, FELDA had resettled about 31,200 families, or about 200,000 people, in areas planted with palm. Working 8-10 acre oil palm lots, settlers averaged M $ 1,000 a month in early 1975, compared with an average of M $ 360 a month in 1971. Two palm oil refining plants came into operation in 1974, and seven additional plants are expected to commence operations in 1975, bringing the total number of such plants to 14.

Production of tin-in-concentrates declined by 6 per cent in 1974, owing to the continuing fall in the grade of tinbearing ground mined and the rise in production costs. In 1975, output is projected to decline further by 6 per cent.

Manufacturing output increased by 15 per cent in 1974, compared with an increase of 20 per cent in 1973. As the recess-

ion abroad began to affect Malysia's manufacturing sector, the rate of growth slackened considerably toward the end of 1974, and in the first five months of 1975, manufacturing output was about 5 per cent lower than the same period of 1974. Particularly hard hit were export-oriented industries, such as electronics, wood, and rubber.

Inflation was the principal economic problem in 1973 and the first part of 1974. Following a long period of relative price stability, the consumer price index rose by 18 per cent during 1973 and continued to increase rapidly in the first half of 1974. This large price rise was attributable to external factors, and also to the strong growth in domestic demand which was financed by a large credit expansion. External factors are particularly important in Malaysia, since exports and imports are equal to about half of GNP.

According to customs data, Malaysian exports increased by 38 per cent in 1974 to M $ 10,189 million, but are expected to have declined by 13 per cen in 1975. The decline in 1975 is due to an expected lower volume and a decline in prices. The bulk of Malaysia's exports conists of primary commodities, and the principal markets are found in industrial countries. In 1974, exports to Japan accounted for 17 per cent of total exports, while exports to the United States and the EEC accounted for 14 per cent, and 21 per cent, respectively.

MALI

Basic data

Area	464,000 sq. miles
Population	5.5 million – Growth rate 2.3 %
Capital	Bamako
Important Cities	Mopti, Kayes, Segou, Sikasso Gao Timbuktu.
Climate	Tropical
Currency	Mali Francs M F 487.5=I U.S. $

General Economy

Agriculture is being organized on collectiv lines as in Israel. Initially a 4 year development plan (1961-65) was launched. Besides, public utilities, industry and mining are to become State monopolies. Chief imports are food-stuffs, automobiles, petrol, sugar, while exports consist of groundnuts, karite, gum, dried fish and skins.

Gross National Product	$ 370 million
Per Capita Income	$ 70
World Trade	(Imp) 40,074 M F (Exp) 10,988 M F
Trade with Pakistan	1973-74
	(Exp) 4.5 m. U.S. $
	(Exp) 1.4 m. U.S. $

MALI

The economy has started giving indication of a promising future. Industrial expansion reflects the establishment of new industrial units although Mali is one of the land locked least developing countries where import substitution remains a vital long-term goal for foreign exchange saving. The Government have decided to apply more flexibility to the movements of government regulated prices of essential commodities.

Besides poor economic performance recorded in 1973 and 1974, the lack of any co-ordinated programme can be attributed to the depressed foreign reserves, domestic savings and investment. The overall deficit had risen to the level of M F 7.7 billion.

Balance of payments situation had deteriorated sharply in 1973 and again in 1974 on account of the effects of 30 per cent decline in exports, the drought, increased import bill, the domestic price policy and the underlying structural problems of the country.

RELATIONS WITH PAKISTAN

Pakistan's exports, which were of the order of $ 4.5 m. in 1973-74 declined to $ 1.4 m. in 1974-75. During these two years no imports were made by Pakistan.

MAURITANIA

Basic data

Area	419,000 Sq. miles.
Population	1.3 million – Growth rate 2.1 %
Capital	Nouakchott
Important Cities	Nouahibou, Kaedi, Atar, Rosso
Language	French and Arabic
Climate	Hot and dry
Currency	CFA francs 48.75 = 1 U. S. $

General Economy

The rich deposits of iron and copper are being exploited. Chief products are cattle, millet, gum, salt, niebe, beref, and dried and salted fish (exports 4,958 metric tons). The inhabitants are partly nomads and partly settled, mainly Berber.

U.S. $

Gross National Product		210 m.		
Per Capita Income		180		
World Trade	(Exp)	90 m.		
	(Imp)	54 m.		
Trade with Pakistan		1972-73	1973-74	1974-75
	(Exp)	106,000	21,000	28,003
	(Imp)	40,000	1,000	–

MAURITANIA

The Islamic Republic of Mauritania is bounded by the Atlantic Ocean. Population is largely Moorish. Mauritania is about four-fifth the size of Alaska.

The economy is pastoral, nomadic or semi-nomadic. Stock raising on a subsistence basis is the main activity. Exports and imports are few and internal exchange limited. The sedentary and semi-sedentary people in the south provide most of the agriculture production. Settled agriculture is restricted in the strip of land along the Senegal River and to the Oases in the north eastern regions. The important food crops are millet, beams, dates and sweet potatoes, all of which are consumed locally.

A large new iron mine was opened in 1968 to add to the annual production of 8,000,000 tons of iron ore, a copper mine was under construction; a new cattle slaughter house and freezing plant was opend, also in 1968. Two agriculture stations have been set up at Kiffa and Kankossa. Animal husbandry forms a major part of activity in the subsistence economy. There are baobab trees, cactus and savounch grass in the southern Savamah regions, but these have not been commercially exploited. An estimated 75,000 tons of fresh fish are brought into Port Etienne yearly.

The country is rich in minerals especially iron ore and copper. Gum Arabic is an important export item besides iron ore. Production and export of copper ore has been commenced.

Rock salt is also mined and rich deposits of gypsum and phosphate have recently been discovered. Exports and imports are few and internal exchange limited, the main internal trade flow is of millet and cereals from the south in exchange for meat from the nomads of the north. The economic future mainly depends ón continued exploitation of the iron and copper deposits. By dint of this, exports have increased in value in recent years, rising from 535 million francs CFA in 1961 to 18,200 million francs CFA in 1968 and 25,129 m. francs CFA in 1971. Iron ore exports in 1972 stood at 8.6 m. metric tons and copper 5.3 m. metric tons.

Mauritania is improving the traditional agriculture and live-stock industry through better veterinary services. She is encouraging the small industries which are connected with agriculture and at the same time inviting foreign capital to finance the mineral exploration.

After independence it was without a capital of its own, with limited means constituting merely 43 per cent of the budget, a limited exploitation of natural resources and the non existence of any industry worth the name. Covering an area of 419,231 square miles, slightly bigger than Pakistan, it is largely desert except for a small riverine strip along the south.

With a constant deficit budget, Mauritania in the past continued to depend on financial contributions. Subsequently, it was decided through a tight-belt policy to get things done without these financial contributions through increasing national revenues and curbing expenditures. This gradually led to offsetting the budget and created an equivalent budgetary item which increased the total national budget from 2.47 per cent in 1960 to 9.26 per cent in 1970. The figure was increased by 47 per cent in 1973 compared with the 1972 budget without imposing new taxes.

By a resolution adopted in 1973, Mauritania established a national legal tender which severed all links with the French

Franc Zone and joined by West African countries. This step was considered a precondition of real economic development.

The role of the State was based on two principles: participation of national funds in companies' capital whenever possible, and organising the trade and transport sector. The National Import-Export Company took over trade activities especially in consumer products like rice, sugar and tea.

The Government is keen to establish an integrated industrial structure. A cement plant has been set up with the co-operation of the Peoples Republic of China.

MOROCOO

Basic data

Area	173,000 Sq. miles
Population	17.4 million – Growth rate 3.1 %
Capital	Rabat
Important Cities	Fez. Marrakesh Meknes and Tangien
Language	Arabic
Currency	Dirhams 4.43 = I U.S. $
Weights and measures	Metric System

General Economy

Ninety per cent of the cereal crop is consumed on farms where it is produced. Citrus fruit provides 15 per cent of total exports. Vegetables, olive oil and cotton are also exported.

		U. S. $
Gross National Product		4,260 m.
Per Capita Income		270
World Trade	(Expt)	634 m.
	(Imp)	768 m.
Trade with Pakistan		1974-75
	(Expt)	128,000
	(Imp)	82,000

MOROCCO

In 1973 GDP rose to an estimated DH 15,150 million. Production in the primary sector declined by 10.7 per cent because of poor cereal harvests. Output in the secondary sector increased by 9.8 per cent to D H 4,140 million.

In both 1972 and 1973 growth in GDP in real terms, at 4.1 per cent and 1.4 per cent, respectively, fell below the average growth rate of 5.7 per cent during the five-year plan period. The 4.8 per cent and 1.4 per cent increase in production in the primary sector in 1972 and the estimated decline of 10.7 per cent in output of the primary sector in 1973.

Consumption has gradually declined, from 89.6 per cent of GDP in 1970 to 88.2 per cent in 1972. After having increased less rapidly than private consumption in 1970, the public consumption component in total consumption expenditure has increased more rapidly than private consumption in 1971 and 1972. In 1973 public consumption expenditures were estimated to have increased overall by almost 13 per cent, reflecting, in part, a 33 per cent increase in government spending on material and supplies, which rose from D H 796 million in 1972 to D H 1,057 million in 1973. Private consumption in 1973 was estimated to have increased by only 3.7 per cent.

Morocco produces a wide variety of crops. A diversity of soils and climatic conditions permits the growth of both temperate zone crops such as cereals and grapes as well as crops rerqu-

iring frost-free climates such as citrus. Out of a total of 7.6 million hectares of arable land, about 5.6 million hectares have been cultivated in recent years. Non cultivated areas in fallow. Over 80 per cent of cultivated land is planted in cereals. Most of this land lies in rain-fed areas where annual variations in rainfall exercise a determining influence on the size of the crop.

In the past decade about 60 per cent of agricultural investment has gone into construction of dams. The capability now exists of irrigating over 500,000 hectares of land in major irrigating areas.

Under the land reform programme, the Government redistributed 158,000 hectares of land during the 1968-72 Plan.

Cereals, accounting for about one-third of total agricultural production, are the most important yet undependable crop. Two moderate crop years, 1968-69 and 1969-70 in which production averaged 4.3 million tons, were followed by two good years, 1970-71 and 1971-72, in which production averaged 5.2 million tons. The 1972-73 crop, amouuting to 3.4 million tons, was the poorest since 1966-67.

In order to stimulate sugar beet production, the Government increased the producer price by 17 per cent over two years. In December 1973 a second increase was announced.

Abont 80 to 85 per cent of the cereal crop is produced and consuned by small farmers. Only about 10 to 12 per cent produced by a few large producers is marketed.

Animal husbandry accounts for about one third of production in the primary sector of the economy. The herd size has increased from 21.11 m. in 1969-70 to 21.65 animals in 1972-73.

Fishing has been of relatively minor importance. But the 1973-77 Plan indicates DH 50 million of direct public invest-

ment in the fishing industry which coupled with other measures like extension of territorial waters and fishing cooperatives would ensure rapid growth of fishing.

Production in the mining sector increased by 20.6 per cent in 1972, compared to an average of 5.8 per cent for the five-year period 1968-72.

Production of phosphate rock increased by an average of 8.7 per eent a year from 1968 through 1972, in which year production rose by almost 25 per cent to 15 million tons.

Morocco's domestic resources are able to provide about 30 per cent of the country's requirements for energy, mainly in the form of coal and hydro-electricity, rest is imported. The import requirement is entirely in the form of crude petroleum, of which domestic production supplies only about 4 per cent of national needs.

According to the index of manufacturing production, manfacturing has grown by an average annual rate of 5.6 per cent a year during the 1968-72 Plan.

Food processing is an important industry but its growth is slow. Output of the textile industry, which accounts for almost one quarter of the manufacturing sector, increased by 7.4 per cent in 1975 compared with only 3.5 per cent in 1971. Production of leather goods, which has been relatively stable in recent years, declined by about 2.7 per cent in 1972. Production of construction materials, which increased by 65 per cent between 1968 and 1972, remained stagnant in 1972. Production of chemicals expanded by 11.5 per cent in 1972 compared with 20.9 per cent in the pervious year.

Tourism is one of the fastest growth sectors of the economy. During the fie-year pariod 1968-72, the number of tourists has increased by 19 per cent a year.

Prices in Morocco, as measured by movements in the cost of living index, increased by an average of only 2.5 per cent a year during the five-year period 1968-72.

Underemployment in rural areas is a major problem. It is estimated that about 700,000 workers, or 18 per cent of the labour force are employed less than six months a year. Most of the underemployed workers are seasonal agricultural labouers.

The increase in total revenue slowed down to 3.8 per cent in 1971 and to 0.9 per cent in 1972, when the ratio of revenue to GDP represented 17.8 per cent, as against 20.3 per cent in 1970.

During the Five-Year Plan, 1968-72, the realized annnal rate of growth in GDP, at 5.7 per cent, was well above the target rate of 4.3 per cent.

NIGER

Basic data

Area	489,000 sq. miles
Population	4.2 million – Growth rate 2.9 %
Capital	Niamey
Important Cities	Hausa, Jerma and Sanghai.
Language	Official language French.
Climate	Hot and dry
Currency	Fnancs CFA 1000 = U.S. $ 3.60

General Economy

The land is almost wholly desert, or savannah. Some mining products exists.

U. S. $

		1970	1973
Gross National Product		380 m.	400 m.
Per Capita Income		90	100
World Trade	(Exp)		54 m.
	(Imp)		66 m.
Trade with Pakistan	(Exp)	57,000	

NIGER

Niger has limited resources and is an agricultural land. Although only two per cent of Niger's territory is under cultivation, agricultural production could be greatly expanded if transport and communication improve and more water wells are struck. The search for oil and other minerals is now on in the Saharan region. Large scale iron deposits have recently been discovered.

Peanuts are the principal cash crop for export and millet for local consumption. Annual production of millet is estimated at about 600,000 tons varying with the rains. Sorghum planting also increased. Cotton and rice are also grown on a small scale.

Livestock (Cattle, sheep, camels, donkeys, goats) are second in importance. About 50 per cent of the total area is given to animal husbandry. Because this area receives less than twenty inches of rain annually the herdsmen have to take their flocks from north to south. More than a thousand wells have been sunk to minimise migration.

Salt is found near Bilma and in several other places. Tin and tungsten are mined near Agodis, following discoveries in 1951. Air Massif contains larger deposits. Large scale iron deposits have been found.

Government signed an agreement with France for exploitation of large, high-grade uranium deposits in the north. At Maradi, skilled artisans work in a small leather industry. Television is used to spread instruction to some village schools.

The national development plan of Niger calls for a substantial increase in the production of rice which could feed the need of the entire country.

For this purpose government has imported the so-called "miracle strains" of rice to supplement native low-yield rice. Dykes have been built and substantial irrigation work carried out. A massive functional literacy programme is being campaigned through radio and T. V. with the help of UNESCO and a private Swiss organization. The campaign has already shown results.

OMAN

Basic data

Area	130,000 Sq. miles
Population	0.8 million — Growth rate 3.1 %
Capital	Muscat
Important Cities	Dhofar, Salalah, Mutrah
Currency	Rial Omani
Weights and measures	Kiyas maunds, farasala, bahar, palis, ferrah and khandi.

General Economy

Date cultivation has reached a high level, and there are possibilities of agricultural development subject to present water resources and soil surveys. Camels are bred in large numbers by the inland tribes.

Gross National Product	U. S. $ 270 m.			
Per Capita Income	620 U. S. $			
World Trade	(Exp)	£ 429,804		
	(Imp)	R. O. 18,713,181		
		1971-72	1973-74	1974-75
Trade with Pakistan (U. S. $)	(Exp)	3.1 m.	7.4 m.	10.0 m.
	(Imp)	—	55,000	6.3 m.

OMAN

The Sultanate of Oman covers an area of about 130,000 square miles in the southeastern part of the Arabian Peninsula, with a coastline stretching more than 1,000 miles from the border with United Arab Emirates to the people's Republic of Southern Yemen.

The development of the economy between 1967 and 1971, a period during which GDP has been estimated by the World Bank to have risen by more than three fold, was thus largely due to the rapid growth of oil industry which rose to account for more than two-third of total output by the beginning of this decade. The only company producing oil in Oman is Petroleum Development Oman, in waich, until Government participation (25 per cent with effect from January 1973 and 60 per cent with effect from January 1974), the Shell Petroleum Company held an 85 per cent interest, Comagnic Francaise des Petrols 10 per cent and Gulbenkian 5 per cent.

Until July 1970 (when the present Sultan, H. M. Sultan Qaboos bib Sa'id, succeeded his father) only a small proportion of the country's oil revenues were directly allocated to the country's modernisation and development, with the result that large budgetary and balance of payments surpluses accumulated. Subsequently, however, Sultan Qaboos embarked upon an ambitous development programme which led in turn to a rapid decline in budgetary surplus in 1971 and the emergence of substantial deficits in both 1972 and 1973, in which Government expenditure

increased by no less than 56 per cent and 30 per cent respectively. Likewise the balance of payments also moved into deficits over the same period as a direct result of a sharp increase in imports which necessitated a draw down of the country's external reserves as well as recourse to borrowing on the international capital market.

The period of rapid development between 1970 and 1973 was accompanied by a significant shift in the structure of the economy, with the relative contribution to GDP of the oil industry tending to decline whereas those of the building industry and of public administration (including defence) tended to increase. In the case of the building industry, the rapid growth recorded in recent years largely reflects the extent to which the greater part of the development undertaken to date has been geared towards improvement of the economy's infrastructure: In 1970 there were only three primary schools (with a total enrolment of 900), no secondary school nor institution of higher learning, only one medical clinic, only one post office, no newspaper or radio station, no modern port and only 10 km. of asphalt surfaced road. By the begining of 1974 on the other hand, 300 km. of asphalt surfaced roads and 2,620 km. of natural surfaced roads were open to traffic, a new port (Port Qaboos) opened at Muttrah with eight berths capable of handling 1.5 million tons of cargo a year. The supply of electricity and water for household use had been considerably expanded. At the same time, there were 15 hopitals, 29 clinics and 46 dispensaries in operation, the number of school pupils had risen to 35,000 and a large housing programme was under way.

Other industrial projects currently in various stages ef preparation include the following:

— a new flour mill to be located at Muttrah with a capacity of 150 tons a day, with the Government holding a 25 per cent interest,

- the construction of a large fertiliser complex to be built by a French company at an estimated cost of R O 140 million. The plant will be fed by a 320 km. pipeline from the gas field. The pipeline will also fuel a thermal power station now under construction,
- a soft drinks company,
- the construction of a desalination plant and a new plant for production of liquified petroleum gas.

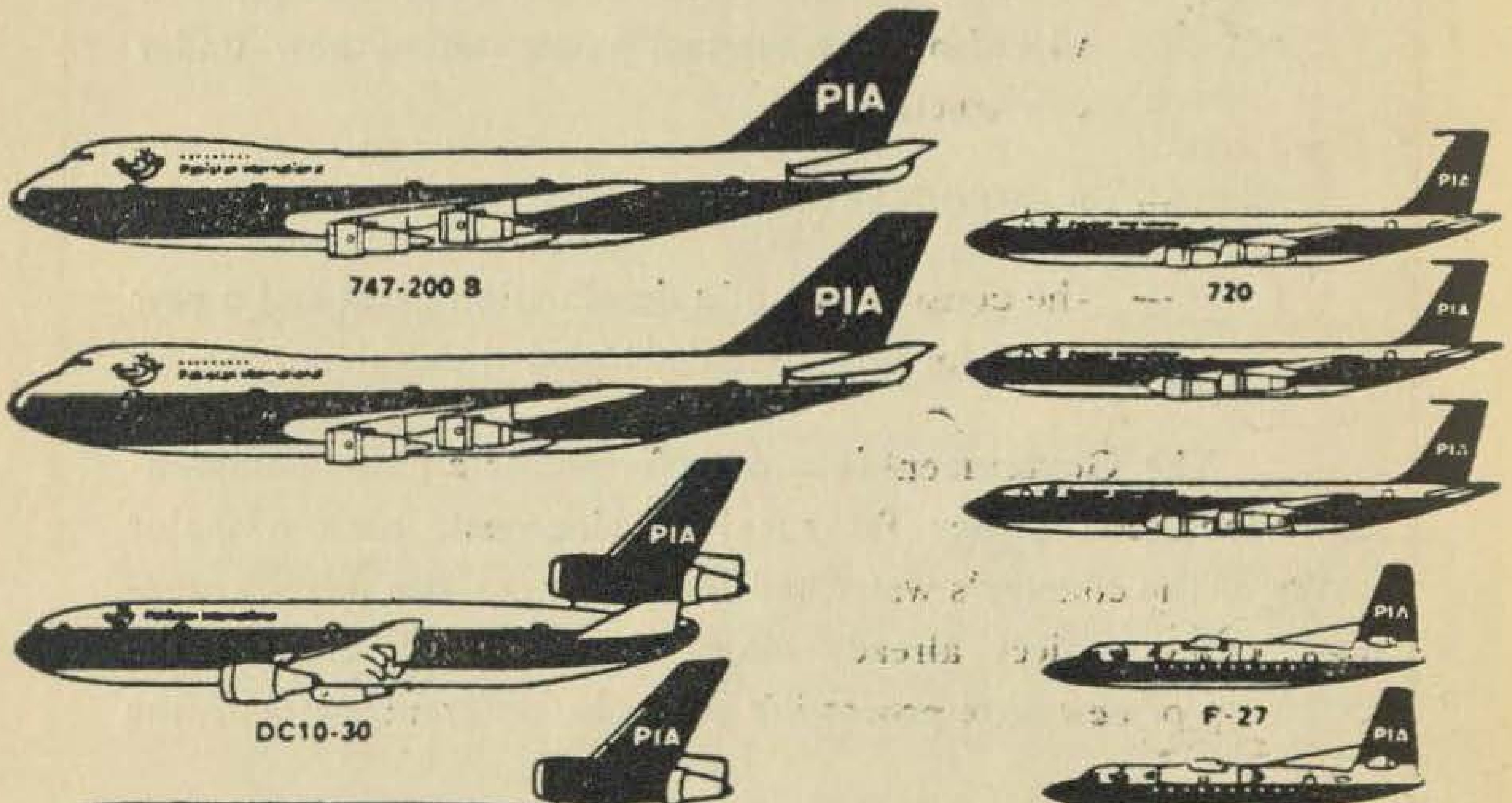
The Government intends to formulate a more comprehensive long term policy for rural development, once a major survey of the country's water and soil resources has been completed. One project already under active consideration is the setting up of new date processing plants in different parts of the country.

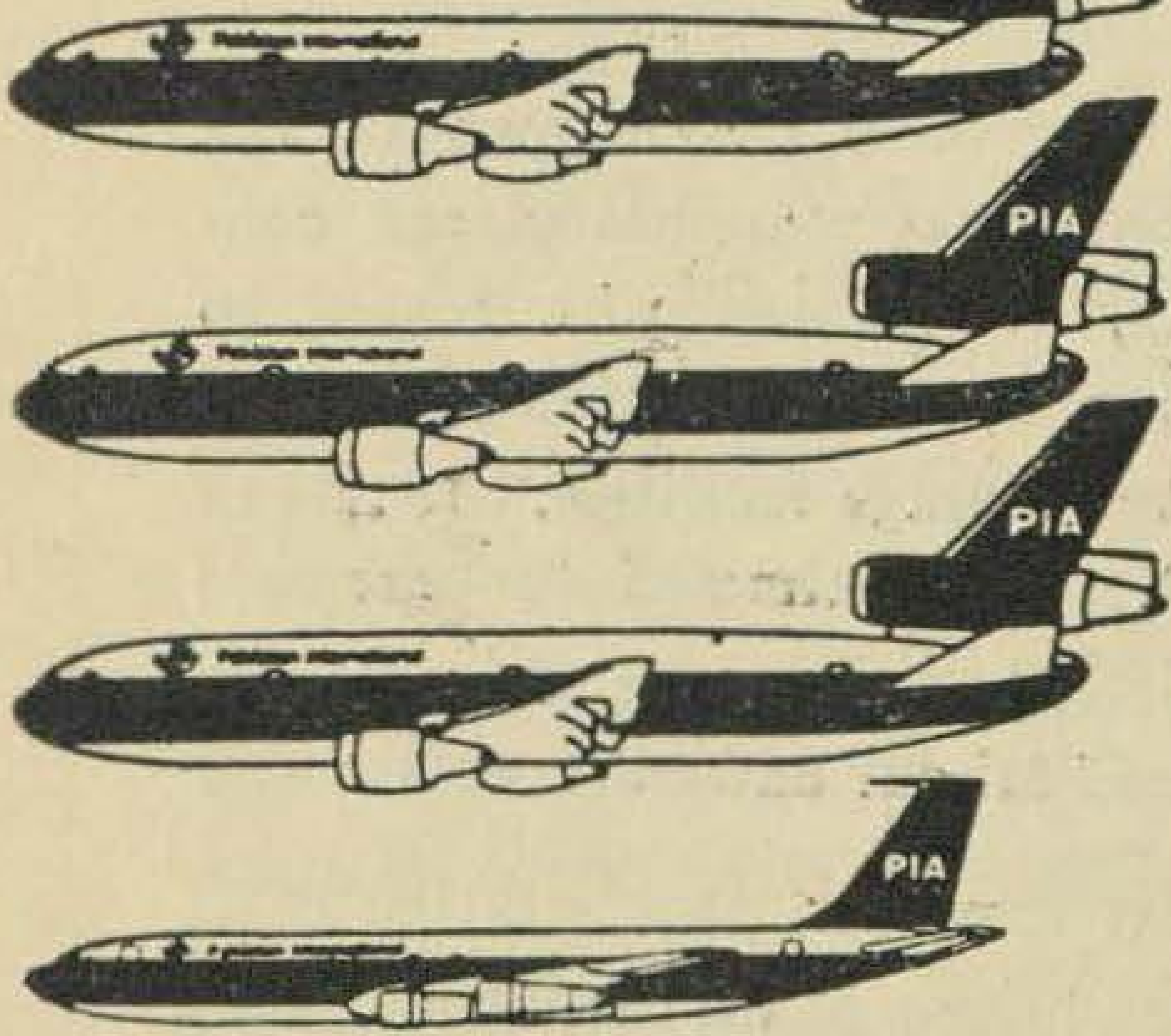
The rate at which the economic development of the country has accelerated over the past three years has placed considerable strains on the economy, particularly with regard to supplies of labour; local supplies and distribution of imports handicaped by inadequate transport and storage facilities, the rate of price inflation has also been rapid. It is estimated for example that about one-third of the projected rise in the Government spending in 1974 reflected increased labour and other costs.

However prior to the next five-year plan starting 1976, curbs on Government spending and increased oil output may easy budgetary canstraints.

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PAKISTAN

Basic data

Area	310,403 Sq. miles.
Population	72 million — Growth rate 3 %
Capital	Islamabad
Important Cities	Karachi, Hyderabad, Quetta, Multan, Lahore, Rawalpindi, Peshawar.
Language	Urdu
Climate	Extreme heat & cold. Rainfall ranging between 4 to 40 inches
Currency	Rupee Rs. 9.90 = 1 U. S. $
Weights and measures	Decimal system

General Economy

Agriculture is the occupation of a vast majority of the population. The main crops are wheat, cotton, barley, sugarcane, millet, rice. Among the leading industries may be counted textiles, fertilizer, chemicals and steel. The country, after the separation of East Wing in 1971, has set its pace to embrace overall changes in the development race, during Peoples' Government regime.

Gross National Product					U. S. $
		1972-73	1973-74	1974-75	1975-76 estimated
		6,155 m.	8,051 m.	10,117, m.	11,067 m.
Per Capita Income			130	150	
			1972-73	1973-74	1974-75
World Trade		(Exp)	817 m.	1,026 m.	1,100 m.
		(Imp)	797 m.	1,371 m.	2,200 m.

PAKISTAN

Pakistan, the third largest Muslim State in the world, spreads over 3,10,403 square miles of South Asia. The rate of growth of the population (72 million) is 3.0% which is comparable with that of Algeria, Iraq and Turkey. Birth and death rate is 51 and 18 per thousand respectively. It displays almost marked variations both in terrain and of temperature and humidity-rainfall ranging from 4 in the south-west to 40 inches in the North-East; with wide productive planes, and extreme alternations of heat and cold.

The country comprises four provinces, viz. the Punjab, Sind, North West Frontier Province (NWFP) and Baluchistan, which account for 56.4%, 21.5%, 16.8% and 3.7% of the country's total population respectively. In size, Baluchistan is the largest with 85.8 million acres, followed by the Punjab (50.95 m. acres), Sind (34.82 m. acres) and NWFP (25.14 m. acres).

National income (GNP at current prices) was $ 10,177 million in 1974-75 which recorded a growth rate of 25.7% over the preceding year. During FY 1975-76 the indications are that the national income would be $ 11,067 million, showing a 9.4% growth rate. This would mean a per capita income of $ 155. Banking it with Muslim countries, it would be one of the lowest.

NATIONAL INCOME AND THE RESOURCE BASE

	1974-75	1975-76 (estimate)
1. GNP (m US$)	10,117	11,067

	1974-75	1975-76 (estimate)
2. Growth rate %	25.7	9.4
3. GNP per capita	146	155
4. Saving as % of (1)	7.2	9.8
5. Investment as % of (1)	19.4	19.9
6. Tax revenues as % of (1)	12.6	over 14

Agriculture accounts for the major share in the national income (32.6%), followed by manufacturing (16.7%) wholesale and retail trade (14.9%) and the services sector (8.1%).

Agriculture plays the dominant role in the economy, by providing livelihood to some 85% of the population, and absorbing 56% of the entire labour force. Major agricultural produces include: cotton, wheat, rice, maize, oil seeds, grams and sugarcane. Cotton textiles, cotton yarn, cement, chemicals (including fertilizers) surgical instruments, and sports goods are the main manufactures. Industrial assets in the private sector are about 80%.

Cotton and cotton-based products, rice, hides and skins are the main sources of foreign exchange earnings. Generally, foreign trade on current account is in deficit, with the only exception of the financial year (1972-73).

Labour force is estimated at 20 million people with 0.6 million being added every year i.e. @ 3% per annum. Besides agriculture, services sector has 24.8% of the labour force, industry 21% and Commerce 10.5%

Of the entire area 24% or 48 million acres are under actual cultivation. About 66% of the cultivated area is irrigated by the largest network of canals in the world, and some 0.1 million by tubewells.

Generally, rotation of corps is limited to two main

crop - seasons, viz., Rabi and Kharif. Rabi includes wheat, and tobacco; while the 'export crops' are the Kharif crops, viz., cotton and rice. There has been a general improvement in the production of most of the crops. Two main crops of cotton and wheat have recorded average annual growth rates of 5.9% and 17.2% respectively during 1965-70. In I973-74 value added by agriculture is estimated to have increased by 5.4 per cent as against 1.7 per cent in 1972-73. This is despite the extensive demage done by the floods of August, 1973, to the standing rice and sugarcane crops. Between 1970-71 and 1973-74 the country had 2.1 million tons more of wheat, 0.2 million tons more of rice, and 0.7 million bales more of cotton.

Agriculture in Pakistan has been modernized more than in any other Muslim country, Fertilizer consumption, for instance, is 20 lbs. per acre in Pakistan. Similarly a large part of the cultivated area is irrigated with one of the most sophisticated systems of irrigation in the World.

A rich and affluent agriculture sector feeds the prospering industrial activity. Large bars of the industrial activity in Pakistan consists of agro-based/allied units. Cotton textiles (fabric, yarn and thread) is by far the largest sector of the country in the private sector. It comprises 113 mills with 2.6 million spindles installed.

Industrial sector estimated to be growing at 3 per cent during FY 1974-75, contributes over 16 per cent to GNP and absorbs over 21 per cent of the country's organised labour force.

After recording an increase of 11.9 per cent during 1972-73 and 7.5 per cent in 1973-74, the growth in the large scale manufacturing sector came down to approximately 3 per cent during 1974-75. This reflects the impact of international recession. Major decline in production occured in textile group which

has a high weightage in total industrial production and has thus largely determined the overall trend. Notable increases in production were however recorded by fertilizer, cement and vegetable ghee industries.

Because of the impact of governments' socio-economic policies on private sector industry, small scale industry is currently experiencing a rapid rate of growth. It is estimated that private investment in small scale industry increased from Rs. 30 crore in 1972-73 to about Rs. 50 crore in 1974-75. It is estimated that nearly 30 per cent of the value added in small scale industry is in the textile sub sector, 15-20 per cent in the engineering industry and about 15-20 per cent in the food industries.

Industrial sector is, by and large, a product of extensive import substitution effort. Between 1960 and 1970, it had recorded an impressive growth rate of 10 per cent per annum. At present, all the essential consumer goods are locally manufactured. But since the mid-1960's, Pakistan's interest and investment in more modern and sophisticated industries has been growing rapidly. It has, by now developed a nucleus of capital goods manufacturing units capable of producing complete cement and sugar plants. Also, the electrical complex at Taxila will go a long way in adding to Pakistan's industrial strength.

Manufacturing has been adjusting in the past several years to three major events: the separation of the former East and West wings, the nationalization of nearly one-third of manufacturing industry assets since January 1972, and devaluation and import liberalization in May 1972. Prior to May 1972 there were strong incentives in the structure of multiple exchange rates and in the system of import controls to invest in productive capacity far beyond expected production levels, and to use imported rather than domestic equipment. As a result of these incentives, capacity utilization prior to 1972 was very low, although probably not as low as suggested by available statistics. Because of an almost

steady decline in real levels of investment in manufacturing since 1965-66 and rising levels of out put, however, capacity utilization has now risen to about 75 per cent as an average for all manufacturing.

Pakistan's development has been phased through Five Year Plans. The First Plan was launched in 1955, the Second in 1960, and the Third in 1965. Over this period, GNP growth rate accelerated from 2 per cent (in early 50's) to 6 per cent (by mid-1960's). Savings and investment rates improved and capital formation increased. But it was a development based on foreign aid, and was pursued in isolation of the desired goals of equitable distribution of income gains, and improving the living standards of the low-income groups.

With the elected Government in office, Pakistan adopted a new development strategy from January, 1972. The main thrust of the strategy is to develop a 'mixed' economy with the main objective of improving the living standards of lower income groups. Mobilization of resources via taxation is being linked with the capecity of the tax payer to share the burden without jeopardizing the propensities of investment and production. A large part of the monetized sector which had facilitated increasing disparities of personal incomes has been taken over by the Government. Commercial banking, life insurance, shipping and the 'basic' industries are being managed by the Public Sector. Export of the two major exchange earnings items, viz., cotton and rice, is being taken care of by the Cotton Corporation and the TCP. Nevertheless, the gaint cotton textiles sector remains to be private sector activity.

Certain important measures were also taken in the monetary and fiscal fields to counter inflationary pressures in order to ensure that the impact of devaluation and import liberalization on the economy is not jeopardized. Immediately after the devaluation, the bank rate was raised from 5 to 6 per cent

and the maximum rates of interest on bank advances were increased from 9 to 10 per cent in the case of bigger banks and from 10 to 11 per cent in the case of smaller banks. Minimum interest rates were prescribed for banks in respect of savings and fixed deposits by raising the previous fixed rates by one per cent. Banks are now free to offer higher rates on deposits if they wish so. The rates of interests on the Government savings schemes were also raised.

In the fiscal field, the Government imposed export duties on certain items, such as raw cotton, coarse cloth cotton yarn and waste, wool and rice to eliminate wind fall profits. The rates of import duties and sales tax on certain import items were reduced to prevent an excessive increase in their landed cost. An effort was undertaken to balance the budget by imposing additional taxes (estimatad to yield Rs. 263 million in 1972-73) and by checking non-development expenditure. While revenue receipts of the Federal Government were estimated to have increased by 26 per cent as compared with 1971-72, non development expenditure on revenue account would increase by slightly over 3 per cent.

The economy is heavily dependent on foreign aid. Foreign economic assistance to Pakistan started in 1950 and by the end of 1974-75 total commitments amounted to over $ 10 billion-24.5 per cent in the form of grants and balance in loans repayable in foreign exchange. Grants which constituted 79 per cent of total aid received during First Plan period, constituted only 2.4 per cent of the total assistance during 1974-75. Besides the proportion of loans on concessional terms has also declined. The logical result is a sharp increase in annual debt servicing. Thus debt service ratio to export earnings which was 9.5 per cent for Second Plan period, 19.4 per cent for Third Plan period stood at 23.1 per cent by 1974-75. Net transfer as percentage of gross disbursement stood at 75 in 1974-75.

The average annual level of commitments of external assistance nearly quadrupled between the fifties and the sixties, from about $ 150 million to almost $ 600 million. At the same time, the share of grant assistance in total commitments dropped sharply from 64 per cent in the fifties to 26 per cent in the sixties, and to only 7 per cent by 1971. The effect of the declining share of 'grant' assistance on the country's external debt position was aggravated considerably by the concurrent hardening of terms. As a consequence, the growth of net transfers failed to keep pace with the expansion of either national income or fixed investment. In relation to GDP it declined from 5 per cent in the Second Plan period to 3.6 per cent in the Third Plan, and, in relation to fixed investment from 33.5 per cent to 27.4 per cent.

Pakistan in linked with Iran and Turkey in a regional arrangement known as the Regional Cooperation for Development (RCD).

The total turnover of Pakistan's trade with RCD partners during past ten years stands at $ 360 million. The various steps taken to expand the relations include opening of trade offices and regular holding of trade fairs, transit trade agreements, exchange of trade delegations, development of road and railway communications and establishment of RCD Chambers of Commerce and Industry.

The RCD Chambers of Commerce has firmed up proposals for a joint bank, a trading company and a transport corporation. The Commerce Secretaries of the three countries have given final shape to the scheme for preferential trade arrangements in the RCD area. The RCD Ministerial Council has formulated some concrete proposals including measures for trade liberalisation, greater utilization of RCD maritime services as a step towards a joint shipping company and formation of a RCD reinsurance company.

QATAR

Basic data

Area	6,000 Sq. miles
Population	0.2 million — Growth rate 3.1 %
Capital	Doha
Important Cities	Umm Said, Dukhan
Currency	Qatar Riyal 3.95 = U. S. $ 1

General Economy

The traditional base of the economy has been pearling and fishing. Commercial agriculture was launched only in the mid 1950's. Substantial breakthrough has been made in increas ing acreage under vegetable, fodder and dates.

Gross National Product	300 m.			U. S. $
Per Capita Income	2,375			
		1973		1974
World Trade	(Exp)	15 m. SDR		16 m. SDR
	(Imp)	164 m. SDR		226 m. SDR
		1972-73	1973-74	1974-75
Trade with Pakistan	(Exp)	2.5 m.	3.8 m.	3.6 m.
	(Imp)	28,000	21,000	2.0 m.

QATAR

In contrast to the policies pursued by many other Gulf States, Qatar moved at a fairly early stage in its development into the build-up of a large scale capital-intensive industrial base with a view to exploiting its substantial reserves of natural gas, produced in association with oil, but much of which is currently flared.

Total gas reserves are unofficialy estimated at about 8,000 billion cu. ft. (including non-associated gas available both onshore and offshore) but although some onshore gas is already being used by projects established in recent years, these are not expected to require more than 160 million cu. ft. per day by the end of this decade.

Oil was first discovered in Qatar 30 years ago and commercial exports started in 1949. Until recently production was concentrated on the Duhkhan onshore fields operated by the Qatar Petroleum Company and on two offshore fields (Idd e Shargi and Maydan Mahzam) operated by the Shell Company of Qatar. The latter company also began operating a new field (Bul Hanine) in 1972, which reached full capacity working earlier this year. Under the terms of recent agreements, the Government acquired a 60 per cent of the state's share of production as well as any unsold crude oil from the Government's remaining share of production. Total oil output in Qatar rose by 10 per cent to 570,000 b/d in 1973 and ran at an annual rate of 520,000 b/d in the first six months of 1974.

The two major projects (apart from electricity generation

and desalination) have been commissioned to date are a fertilizerplant and a cement factory. The fertilizer plant at Umm Said was brought into operation in 1973 and its full rated capacity is 900 tons of ammonia and 1,000 tons of urea per day; production is almost entirely for export to markets in the Far East. The cement plant (located at Umm Bab) was commissioned in 1969 and is operated by the National Cement Company with a rated capacity of 100,000 tons a year.

Planning for the future development of large-scale indusry currently comprise the following targets:

— Doubling of existing capacity at both the fertilizer and cement plants.

— The completion of an NGL plant at Umm Said which will eventually produce 800,000 tons a year of propane, butane and natural gasoline from a gas intake of about 335 million cu. ft. per day from the Dukhan field.

— The construction of a petrochemical complex, again at Umm Said, with a capacity of 300,000 tons a year of ethylene and 145,000 tons a year of low-density polyethylene. The transport of the plant's output is to be handled by another joint venture company.

— The construction of a steel mill by the Government (70 per cent interest) in conjunction with Japanese firms. The plant is expected to produce 400,000 tons of crude steel per annum mainly for exports.

— The setting up of a new joint company, Qatar Gas Company to utilise natural gas from the offshore fields. The first of its projects will be an NGL recovery scheme already being developed by Shell.

Free primary education was introduced in 1954 and has gradually been extended to include secondary, technical, commercial and managerial schools, together with a teacher training institute. Free medical services are also available and the medical services department has a total of some 600 beds in three main hospitals, cottage type hospitals and clinics. Hospital bed capacity will moreover be doubled by the end of 1977 as a result of the construction of a new general hospitanl at Doha.

Plans are also in hand to increase the facilities of the port, for land reclamation in and around Doha and for the construction of a new internatioal airport.

Growth in imports has, in the absence of other information, traditionally been regarded as one of the best indicators of progress in the domestic economy. It amounted to 69 per cent in 1971, 68 per cent in 1972 and 28 per cent in 1973 (a year in which both the external and budgetary surplus fell sharply). Given the heavy import requirements of the various industrial and infrastructural projects, import demand will have a strong upward trend in the foreseeable future.

The recent pace of development spending in the private sector, particularly in the building industry, coupled with the large external surpluses built up by the Government through oil revenues, has produced a situation in which the demands on the local banking system have become extremely acute despite massive increase in local deposits.

SAUDI ARABIA

Basic data

Area	927,000 Sq. miles
Population	8.4 million — Growth rate 2.8%
Capital	Riyadh
Important Cities	Jedda, Medina, Mecca, Hejaz, Taif
Language	Arabic
Currency	Rial 3.55 Rials = **1** U. S. $

General Economy

Saudi Arabia is expected to earn about $ 20,000 million a year in oil revenues by 1980. Largely desert, accelerated development efforts are underway in almost all sectors of the economy Petroleum contributes about 92% of the budget receipts.

U. S. $

		1970	1973	
Gross National Product		3,220 m.	4,010 m.	
Per Capita Income		440	540	

		1973	1974
World Trade	(Exp)	3,845 m.	
	(Imp)	806 m.	

		1971-72	1973-74	1974-75
Trade with Pakistan	(Exp)	14.7 m.	40.1 m.	62.7 m.
	(Imp)	17.0 m.	90.2 m.	157.5 m.

SAUDI ARABIA

Kingpin of world petorleum supply, Saudi Arabia is expected to earn about 20,000 million dollars a year in oil revenues by 1980. Petroleum concentrated mainly in the eastern part of the country, remains by far the most important industry and provides about 92 per cent of the budget receipts. On this financial base, King Faisal had launched a policy of industrialisation.

One of the biggest steel works on the Red Sea has been established in Jeddah at a cost of $ 60 million. In 1969 a fertiliser factory was completed at a cost of about 45 million dollars.

Extensive water resources have been tapped for the development of agriculture and model agricultural farms set up to attract the people towards lucrative farming.

The extraordinary growth of wealth has set the pace of reforms in many sections of social life. Eductaion is free. King Faisal took keen interest in eductaion, particularly of women. In addition to standard courses, girls are taught child care and hygien.

Medical care is free. Medical services have been expanded, with new hospitals and mobile clinics to travel the desert.

Saudi Arabia is a typical oil economy which has the largest reserve of oil. Petroleum production reached 23,123,146 barrels in January 1976.

Oil was discovered in commercial quantity in 1938 and by 1972, the revenue from this source accounted for 64 per cent of the Gross Domestic Product, 90 per cent of the Government budget revenues and more than 90 per cent of its foreign exchange receipts. The oil sector is the major sector of the economy and the agriculture and industrial sector though samll are now being given attention for rapid development.

Saudi Arabia has the largest reserves of oil in the world and are estimated at 100 to 150 billion barrels. According to official data, the oil reserves constitute 40 per cent of the Middle East and about 29 per cent of the world's total proven reserves. The production of oil in Saudi Arabia was largely determined by the demand for oil. During the last 13 years, the growth rate in production has varied between 5 per cent in 1969 to 26 per cent during 1972-73.

At present, the country has oil production and oil refining industries. However, it is now proceeding to petrochemical and other energy intensive industries like steel rolling mills, marine construction and transportation facilities.

Saudi Arabia has four refineries. Another refinery is being set up. A fertilizer plant began prpduction in March 1969 with a capacity of 1,100 tons of urea, 600 tons of amonia and 35-50 tons of liquid sulphuric acid per day, which is entirely exported. Other petrochemical projects include a lubricants plant and a sulphuric acid factory.

PETROMIN is a Government established oil and mineral agency, which is responsible for the establishment of industries in the country. One steel-rolling mill was established by this agency in December 1967 with a capacity of 45,000 tons. The capacity of this mill is likely to be expanded to 70,000 tons.

Setting up of an iron and steel complex in the country is under study. The Agency has also set up various subsidiary industries in oil related fields, such as marine construction, oil shipping, and mineral exploration. The country also have three cement plants which produced 911,000 tons of cement in 1972. A survey of the industrial sector indicated the existence of 9,163 industrial establishments, employing 30,000 workers and producing a gross output valued at S R 487 million accounting for 18.9 per cent of the GDP. A survey of 294 industries indicated 77 establishments in food and beverage category, 66 in non-metallic minerals, 62 in metals and machinery, 33 in paper and printing, 29 in wood and wood products, 4 in chemicals and petroleum refining and 10 others.

The country had electricity generation capacity of 978 million kwh. in 1972. There are 4 water desalination plants in the country with the largest at Jedda, producing 5 million gallons a day. Another such plant is being set up with a capacity of 7.5 million gallons a day.

The country has only 10-15 per cent of the arable land and its principle crops are wheat, barley, corn, millet, sorghum, sesamum, lentils, rice and alfalfa. Coffee is also being grown increasingly. The principle livestock consists of sheep, goats, cow and camels. Poultry is being raised extensively.

The Government is giving increasing attention to develop its agriculture sector. Surveys are being conducted to search underground water. Dams are being constructed at suitable sites. The farmers are being distributed land and are given 50 per cent subsidies on machinery purchases and fertilizers.

During 1971-72 the GDP amounted to Saudi Rials 26.2 million at cnrrent factor cost. GNP, during the same year was

Saudi Rials 19.2 billion. The difference is due to net factor payment abroad which represents, for the most part, oil company profits and amounted to 27 per cent of the GDP, in 1971-72. Per capita GNP for the year 1971-72 comes to about Saudi Rials 2,700 or $ 650. The GDP is dominated by the oil sector which makes a contribution of over 60 per cent.

The rate of growth in GDP averages at 14.3 per cent in nominal terms and 10.5 per cent in real terms during a period of 6 years form 1965-66 to 1971-72. The average for 1970-71 and 1971-72 in nominal terms has been estimated at 22.8 per cent.

The balance of international payments for 1971 shows a surplus in the current account amounting to $ 811 million against $ 16 million in 1970 and a deficit of $ 110 million in 1969.

In order to attain the maximum economic and social benefits from industrial development, the Government formulated a comprehensive and well defined industrial development policy. This policy, approved by the Council of Ministers, aims at achieving the following objectives:

- Encouraging the expansion of industrial productive capacity and the diversification of the economy. The purpose is to lessen the effect of outside economic fluctuations.
- Stress on competition that serves the interests of the local consumers.
- Regulating and organizing industrial projects, so as to ensure the fulfilment of the required objectives sought.

— Government is the partner of the producers and not their competitor".

— Government will do its best to avoid imposition of restrictions or controls on quantities or prices as an instrument of carrying out its industrial policy.

— Government welcomes foreign capital and talent.

— The government takes the responsibility to provide public utilities and promulgate the fundamental regulations necessary for the establishment of feasible industries. Besides, the Government will enhance the development of all economic sectors to provide industrialists with all the suitable local resources and try to increase the purchasing power of consumers within the framework of an ever growing national economy.

SENEGAL

Basic data

Area	78,000 Sq. miles
Population	4.2 million – Growth rate 2.4%
Capital	Dakar
Important Cities	Kaolack, Thies, Sanit Louis' Rufisque, Ziquinchor, Diourbel.
Language	French
Climate	Tropical with a long dry season followed by a short wet season.
Currency	Frances CFA 1000 = U. S. $ 3.60

General Economy

Sandy soil with main products millet, maize, rice and groundnuts. The economy is also dependent on live-stock rearing. Phosphate rock, and cement are the main industrial products.

		U. S. $
	1970	1973
Gross National Product	870 m.	1050 m.
Per Capita Income	230	260
World Trade	(Exp) 216 m.	
	(Imp) 279 m.	

	1972-73	1973-74	1974-75
Trade with Pakistan	(Exp) 97,000	2.3 m.	8.1 m.
(U. S. $)	(Imp) —	—	2.000

SENEGAL

The Gross National Product of Senegal which was $ 870 million in 1970 increased to $ 1,050 million in 1973 and per capita income rose from $ 230 to $ 260 over the same period.

Senegal is an agricultural country. Before its inedpendance, colonialists on their drive for huge profits cornered the peasants into growing groundnuts on a large scale, making it impossible for the country to achieve salf-sufficiency in food. After independence, the Government paid more attention to increasing food production and diversifying crops to change over from the single-product economy left behind by colonial rule. Giving priorities to the development of agriculture, animal husbandry and fishery as "a solid base for national independence," it has in recent years taken steps on a nationwide scale to expand cultivated areas, popularize advanced techniques and improve management in order to increase production of food and other crops. In 1971-72 the increase in output of millet and sorghum, rice, and cotton over the previous year reached 46, 12.76 and 100 per cent, respectively.

About 85 per cent of the population is engaged in agriculture and stock raising. Dakar, capital on Cape Verdi, is an important seaport, handling 4,000 ships annually. There are important deposits of aluminium phosphate. Developing industries included food processing, chemicals and cement.

In Industry the Govrenment has since independence actively encouraged national capital investment by granting Sengalese run enterprises a preferential treatment. There are now more than 300 medium-sized and small enterprises such as oil-pressing, sugar-refining, shoe manufacturing, building materials, textiles and food, to mention only a few. In 1972, 21.6 per cent of the country's gross national product was from industry. At present, Government is striving hard to fulfil the 4th Four-Year Plan to further develop the national economy.

SIERRA LEONE

Basic data

Area	28,000 Sq, miles.
Population	2.8 million – Growth rate 2.3%
Capital	Freetown
Important Cities	Limbas, Korankos, Temnes, Mendis
Climate	A small coastal strip is tropical the interior is savanna.
Currency	Leone 0.81 = 1 U. S. $

General Economy

Farming is largely confined to the production of cassava and garden crops. The principal products include rice and export crops such as palm kernels, cocoa beans, coffee and ginger. Cattle production is important in the northern part of the country and most of the poultry, eggs and pork are produced in the Western area. There has been a gradual expansion of the fishing industry. The chief minerals being diamonds, iron ore, bauxite and rutile account for 80 % of exports. A large proportion of the population is engaged in agriculture.

				U. S. $ m.
Gross National Product		520		
Per Capita Income		$ 190		
World Trade	(Exp)	117		
	(Imp)	121		
		1972-73	1973-74	1974-75
Trade with Pakistan	(Exp)	1.2	2.7	0.3
	(Imp)	—	—	—

SIERRA LEONE

The GDP grew by an average of 5 per cent per annum between 1963-64 and 1970-71, from Le 214.8 million in 1963-64 to Le 287.9 million in 1970-71. After increasing at an annual average rate of 9.6 per cent between 1963-64 and 1966-67, GDP at constant prices declined somewhat in 1967-68. The economy recovered in 1968-69 and 1969-70, when a growth rate averaging around 10 per cent per annum was achieved, but a recession in the mining sector resulted in a comparative absence of growth in 1970-71. The sectoral composition of real output underwent some changes in the period 1963-64 to 1970-71. The share of agricultural and related sectors declined from 38.3 per cent in 1963-64 to 31.9 per cent in 1970-71. In contrast, the share of income originating in the transport and communications sector rose sharply: from 6.9 per cent in 1963-64 to 9.9 per cent in 1970-71. The share of the mining sector fluctuated slightly over this period, with a high point of 17.2 per cent in 1969-70 and a low point of 15.7 per cent in 1968-69.

Sierra Leone's economic performance is heavily dependent on developments in the mining sector and on the world prices for mineral products, particularly of diamonds. Although agriculture remains Sierra Leone's most important economic activity (about 33 per cent of GDP in recent years), the mining sector accounts for 16 per cent of GDP, next in importance to agriculture. The mining sector accounts for almost 80 per cent of the total value of exports. Diamonds, which account for about two

third of total export earnings, are Sierra Leone's major export earner. Iron ore and bauxite are also mined.

After declining by 5 per cent to 1.94 million carats in 1971, Sierra Leone's output of diamonds rose by 3 per cent in 1972. The overall inerease in output was due entirely to a rise of 8 per cent in DIMINCO's output.

Iron ore is also an important export of Sierra Leone, accounting for 11.4 per cent of total exports in 1972. Between 1968 and 1970 iron ore production declined by about 10 per cent due to the technical difficulties faced by the Sierra Leone Development Company (DELCO).

Sierra Leone has the world's largest known deposits of rutile, a mineral used in making paint pigments.

The output of bauxite by the Sierra Leone Ore and Metal Company (SIEROMCO) increased from 336,500 tons in 1967 to 581,100 tons in 1971.

Agriculture accounts for about one third of GDP and provides livelihood for approximately three quarters of the population. This sector also contributes over 16 per cent of the total value of exports.

The major food crops are rice, sorghum, millet, maize, cassava, sweet potatoes, and groundnuts. Rice is the most important relative to both total production and total domestic consumption. The principal export crops are palm kernels, coffee and cocoa. Piassava, kola nuts, and ginger are also exported in small quantities. On the whole export crops performed well during 1972-73.

Coffee is getting importance. In 1968 purchases of coffee by the SLPMB were 4.1 thousand tons, which rose to 11.8 thousand tons in 1972-73, an increase of 3.5 thousand tons

over the previous year. The sharp increase in coffee intake during 1972-73 is a result of heavy plantation in the early and mid-1960's of trees which are now yielding their full crop.

The oil palm project at Daru has been incorporated into the Integrated Agricultural Projects. It is envisaged that the nucleus plantation will grow to 2,000 acres. There will also be an outgrowth scheme, which will ultimately cover 3,000 acres. Funds will be made available for supplying outgrowth with credits for hired labour, pesticides, fertilizer, and seedlings. It is expected that by 1980 the Daru project will produce 4,300 tons of palm oil per annum.

The Government is currently considering ways of stimulating the forest industry. The country has extensive forest reserves estimated to cover 11.5 thousand square miles.

The manufacturing sector accounts for about 5 per cent of GDP at current prices. About 60 per cent of the manufacturing in Sierra Leone is conducted in establishments employing fewer than six workers. Manufacturing output in 1970-71, was valued at Le 19.6 million. Available data on output in physical terms show that in 1972, 100 per cent increase in the production of cigarettes and tobacco was registered with locally grown tobacco leaf being increasingly used. The output of motor fuel increased from 60 million gallons in 1971 to 71 million gallons in 1972.

Sierra Leone's first effort at national development planning, which resulted in the implementation of the Ten-Year Plan of Economic and Social Development, 1962-63—1971-72, was undertakan shortly after independence in April 1961. The major objectives of the Ten-Year Plan included the strengthening of the Sierra Leone economy and the acceleration of its rate of growth through a programme of public and private investments. Public

sector investment expenditures under the Ten-Year Plan were estimated at Le 250 million. Of this amount, 39 per cent was to be spent on the social services, including education and health, 21 per cent on transport and communications, 12 per cent on manufacturing, 8 per cent on agriculture. For the private sector, Le 50 million was estimated as investment expenditures over the first five years of the Plan period: for the second five-year period no estimates of private sector investment were made in the Plan.

In its implementation several technical and organizational problems beset the Plan, including a lack of well- prepared projects, deficiencies in managerial and technical skills and inadequate coordination among the executing authorities in economic decision-making. Owing to these difficulties the Plan was abandoned. However, development expenditure has taken place in the context of the annual development budget.

SOMALIA

Basic data

Area	246,000 Sq. miles
Population	3.0 million — Growth rate 2.2%
Capital	Mogadiscio
Important Cities	Hargesia, Kisimayu, Berbera
Language	Arabic, Italian and English are all official languages.
Climate	Arid
Currency	Somalia shilling 6.29 = 1 U. S. $
Weights and measures	Metric system

General Economy

Somalia is essentially a pastoral country, about 80 % of the inhabitants depend on live-stock rearing. There are a number of small meat and fish canneries, a small leather tanning industry, oil seed and fresh fruit processing plants, a small shoe and leather works industry. There are no big industries. Deposits of iron ore in the south and gypsum in the north. Beryl and columbite are also found in the north but none are commercially exploited.

				U. S. $ million
Gross National Product		240		
Per Capita Income		80 $		
World Trade	(Exp)	43		
	(Imp)	76		
Trade with Pakistan		1972-73	1973-74	1974-75
		0.7	3.8	4.4
		0.1	0.04	0.01

SOMALIA

Somalia has a weak economy and depends on outside aid part of which is received from the U.S., Italy, Britain and the U.S.S.R. Principal occupations are livestock raising and agriculture. Main source of foreign exchange are the commercial crops which are grown near the main riverse. The geological factors of the country suggested the presence of oil, and prospecting is on. With few resources, the country is poor but since independence earnest efforts are being made to develop the country. The country is engaged in rain-fed dry farming complemented by primitive irrigation from the waters of the two rivers. Some lands along the rivers are under irrigation. Corn, sorghum, begunes, sesame and cotton are grown. Banana and sugar cane are the chief commercial crops. Farmers have begun to practice more advanced farming techniques and newly created Somali cooperatives are also adopting advanced techniques.

The majority of inhabitants raise livestock. In some areas, it is the only means of subsistance. There are estimated 1.6 million camels, 1.2 million goats and 2 million sheep. Live animals, hides and skins, ghee and meat are exported.

About 12,000 persons fish in the Indian Ocean, which abound is tuna, shark and other marinelife. Most of the fishing is done for local market. Some progress in modern techniques of fishing is being made by the Marine and Fisheries School in Mogadishu.

Somalia is one of the few areas in the world where incene is produced. Incene trees of the genus Bosewellia are found in the Mijertein. Gum Arabic is also produced.

Somalia relies on imported petroleum products for the production of its electric energy.

In broad terms, it is a Government objective to attain self sufficiency in cereal production and, at the same time create a reserve stock of grain for use in the event of partial or complete crop failure due. To assist achievement of this objective the purchase, sale, storage and transportation of foodgrains are the responsibility of the public sector. Whilst no definite production targets have been established; it is the aim of the Government to secure domestic cereal production (maize and sorghum) to the order of some 153,000 tons per annum.

Producer prices are fixed by government decree. It is Government policy to maintain stable prices and they are fixed and announced before commencement of the planting season.

Guarnteed producer prices are paid direct to farmers by the autonomous government agency responsible for marketing the entire domestic production of maize and sorghum.

The Marketing Department of the Agricultural Development Corporation (An autonomous government agency) is solely permitted to purchase from producers, transport, store and sell maize and sorghum at wholesale level.

It is government policy to build up a reserve grain stock of approximately 50,000 tons. Current stock of grain for normal consumption is 30,000 tons, which is considered sufficient to last untill advent of the next harvest. Storage capacity owned by ADC totals about 40,000 tons in warehouses and 5,000 tons in pits. A programme of storage expansion is presently being implemented.

SOMALIA

In its economic and social development planning Somalia has launched a large-scale operation called "national advancement" by which it intends first of all to assure better conditions and social advancement for its people and secondly to increase agricultural productivity.

In order to carry out this vast programme the Government of Somalia has been receiving aid from the USA in the from of donations of soft wheat (under public Law 480, Title II).

On work projects for national advancement each worker receives 4 kgs. of wheat grain and 2.40 DH (U.S.$ 0.48) in cash daily. Both the cash payments and handling and transport expenses for the commodities are paid for out of Somalia's budget. In order to assist Somalia in its development plans, other agencies (WFP) and countries (aside from the USA and Canada) supply certain quantities of wheat as their contribution to the financing of specific projects.

In 1972-73 Pakistan exports to Somalia amounted to $ 669,000 while imports were worth $ 116,000. In 1973-74 export increased by 460 per cent to $ 3.75 million. while imports declined by 63 per cent to $ 43,0C0.

SUDAN

Basic data

Area	968,000 Sq. miles
Population	17.4 million — Growth rate 3.1 %
Capital	Khartum
Important Cities	Omdurman. Khartum North, Port Sudan, Atbara, Kosti.
Language	Arabic main language. English widely understood.
Climate	Temperatures vary with height and latitude.
Currency	Sudanese Pound 0.34 = 1 U. S. $

General Economy

Predominantly an agricultural economy with cotton being the most important crop. Mineral resources are being exploited. Gum Arabic is about 95 % of the world supply.

U. S. $ million

Gross National Product		20,030		
Per Capita Income		$ 120		
World Trade	(Exp)	360		
	(Imp)	353		
		1972-73	1973-74	1974-75
Trade with Pakistan	(Exp)	0.1	0.5	32.0
	(Imp)	0.3	4.0	0.2

SUDAN

Predominantly an agricultural economy with cotton being the most important cash crop. With some industrial development, Sudan is striving hard to break the vicious circle of poverty. But with a population explosion (17.4 million with a growth rate of 3.1 per cent) Sudan could only succeed in making the per capita income stagnant at dollar 120 since 1970. However, the GNP registered an increased of about one per cent.

The 10-year plan 1961-62—1970-71 envisaged a total expenditure on social and economic development of £S 565.4 million. The 5 year plan 1970-75 envisaged Government expenditure of £S 215 million and investment by the private sector of £S 170 million.

Cotton is by far the most important crop from the economic point of view: Both long and short-staple varieties are grown, the former in areas under special irrigation schemes and the latter in areas of rain cultivation. Durra (Sorghum millets), the main food crop, and dukhn (Pennisetum millets) are widely

grown in all districts. Barley and maize are grown in the Northern province and on the upper Blue Nile and in Equatoria. Sesame, cultivated in the rainland areas, is the main source of vegetable oil. Peanuts are grown for use as a food stuff.

As far as durra and wheat are concerened, the main objective is to reach self sifficiency and maximum export for durra. The annual production target ranges between 2 and 2.5 million tons for durra and 150,000 tons for wheat.

For durra the objective of the Government is to hold stock against hunger. The storage capacity is 150,000 tons while for wheat the storage capacity is 50,000 tons.

The Government distributes the total quantity of wheat, domestically produced and imported, among the wheat flour mills.

Only durra is exported; export licences are required. A 15 per cent rebate is allowed on all exports of durra. In bumper crop years barter and reciprocal trade arrangements are practised.

Wheat is imported and distributed by the Government. The import quota is 150,000 tons a year. The minimum c.i.f. price is set at 25 Sudanese Pounds (U.S.$ 71.80 per ton).

Credit is extended by the Sudanese Agricultural Bank, in the form of machinery, for clearance of forests, for harvesting of durra production. The Gezira Board and the Sudanese Agricultural Bank are concerned with aids to wheat production.

Efforts are afoot to industrialize at the earlist. Railways are being supplemented by the shipping services while construction of roads is in full swing. In the area of aviation,

domestic and international services are being expanded. Post and telecommunication services are being extended to the remote places. Banking has become a point of utmost attention. All foreign banks were nationalized in 1970.

Principal sources of import into Sudan are India and U.K; principal countries of export from Sudan are Italy, India and Germany. Pakistan has displayed an accelerated improvement in her trade relations with Sudan in 1974-75.

SYRIA

Basic data

Area	72,000 Sq. miles
Population	6.7 million – Growth rate 3.3 %
Capital	Damascus
Currency	Syrian pound 3.70 = I U. S. $

General Economy

Agriculture accounts for 22 % of Syria's GDP. Just half of the labour force is employed in agriculture. Major crops include wheat, barley, and cotton.

U. S. $

Gross National Product		2,150 m.	
		1972	1973
Per Capita Income		238	320

U. S. $ million

		1973	1972
World Trade	(Exp)	254	201
	(Imp)	477	412
		1974-75	
Trade with Pakistan	(Exp)	0.44	

SYRIA

The Syrian economy underwent basic changes in the period 1958-68, including agrarian reforms and nationalization of major industries. These changes adversely affected the private sector, while public sector investment in industry and basic infrastructure was slow in gaining momentum.

In 1971 and 1972 economic conditions improved significantly due to good weather conditions and also because of the reorientation of economic policies by the Government.

The structural changes in the industrial origin of GDP during the past decade are: the share of agriculture in GDP has fluctuated, it shows a declining trend, from 30 per cent in 1963 to 22 per cent in 1972, the decline in the contribution of agriculture was offset almost equally by the increased share of industry and public administration which rose to 21 per cent and 12 per cent, respectively, in 1972.

GDP data indicate an average growth rate of about 6.4 per cent per annum for the period 1963-72.

Although the relative importance of other sectors has been increasing in recent years, agriculture still accounts for about 22 per cent of Syria's GDP. Moreover, just over half of the labour force is employed in agriculture and agricultural products account for a similar proportion in export earnings.

The industrial sector in Syria accounts for about 20 per cent of GDP and is composed mainly of small scale manufac-

turing enterprises producing consumer goods for the domestic market. The main industries include food and beverages, tobacco, textiles, petroleum, cement and glass. All important industries are owned by the Government and are organized in three union or holding companies (food, textile, chemical and engineering) which operate under the direction of the Ministry of Industry.

Production of Syria's electrical energy, has expanded rapidly in recent years. Following a 1.5 per cent increase in 1970, power generation increased by more than 10 per cent in 1971 and by 16 per cent in 1972 due to new plants as well as higher capacity utilization.

Construction activity, which accounts for almost 30 per cent of gross domestic fixed capital formation has grown moderately in recent years.

Employment has increased moderately in recent years with the largest gains occurring in social services, construction and transportation. Total employment, which increased at the annual rate of just over 2 per cent during the 1960-70 period, rose by 7 per cent in 1972.

Investment expenditures are carried out in accordance with the Third Five-Year Plan (1971-75). On the whole, capital expenditures have been approximately equally divided among the three broad categories of agriculture and irrigation.

In the four years ended in 1971 monetary and credit developments were characterized by a high rate of credit expansion brought about by rising fiscal deficits financed through the banking system.

Syria's balance of payment, which had shown sizable surpluses for several years upto 1967, came under pressure and relatively large deficits were recorded in the following four years. The substantial deterioration in the 1968-70 period was accounted

for by a widening trade deficit.

The balance of payments has achieved a substantial turnaround since 1971. The improvement in 1972 resulted mainly from the increased level of official grants from Arab countries, which almost doubled to SDR 40 million and from the favourable impact of the excellent agricultural season which halted the deterioration of the trade account.

Syria's trade balance has always been in deficit since the compilation of the balance of payments data in 1953, and the deficit has widened in recent years.

Syria's outstanding public debt has risen substantially in recent years and amounted to U. S. $ 369.3 million as of December 31, 1972.

A large proportion of Syria's foreign trade is nationalized and carried out by public sector trading agencies.

The Peoples Council of Syria approved, in its session on 28 December, 1975, the fiscal budget for 1976 amounting to 16.6564 billion Syrian Pounds (about 4.8 billion U. S. $). It is Syria's biggest budget.

TUNISIA

Basic data

Area	63,362 Sq. miles.
Population	5.6 million — growth rate 2.2 %
Capital	Tunis
Important Cities	Bizerta, Beja, Le Kef, Gafsa, Medenine.
Language	Arabic
Currency	Dinar 0.44 Dinar = I U. S. $
Weights and measures	Metric system

General Economy

Basically an agrarian economy. Of the total area, about 9 m hectares are productive including 2m under cereals, 3.6 m used as pasture, 900,000 forests. Other products are apricots, plums, figs, pomegranates, almonds etc. Agricultural tractors number around 20,000. Major modern plants include sugar, cellulose, petroleum and steel.

U. S. $ million

Gross National Product		1,670		
Per Capita Income		410 $		
		1972-73		1970-71
World Trade	(Exp)	311		182
	(Imp)	459		305
		1971-72	1973-74	1974-75
Trade with Pakistan	(Exp)	0.07	0.9	0.5
	(Imp)	—	0.06	—

TUNISIA

The recent performance of the Tunisian economy has been characterized by a sharp upturn of economic growth in 1971 and 1972 and a levelling off of the rate of expansion in 1973. Because of the favourable development in the second half of the Third Development Plan (1969-72), the annual rate of expansion of real GDP for the entire quadrennium averaged 9.6 per cent, surpassing the original plan target of 6.5 per cent. At the same time, gross domestic expenditure at current prices grew by 12.9 per cent annually, or slightly lower than nominal GDP (13.3 per cent). Consumption increased at an average annual rate of 12.4 per cent during this four-year period, while the formation of gross fixed capital, representing on the average 20.2 per cent of GDP, showed an even higher growth rate (12.7 per cent). The resource gap, accounting for 4.6 per cent of GDP in 1970, fell to a low of 1.5 per cent in 1972.

The upward movement of GDP accelerated in 1972, reaching a growth rate of 17.6 per cent in real terms. Real nat-

ional income expanded even faster (18.3 per cent) than GDP, raising national income per capita by 16.9 per cent to D 131.4; an important factor in this cotext was the growing flow of workres remittances to Tunisia.

The main reasons for the upturn in economic growth since 1971 were some immediate effects of liberalization and continued excellent weather.

The share of agriculture (including fishing) in real GDP has fluctuated since 1968, falling from 16.2 per cent to a low of 13.9 per cent in 1970, rising to a high of 17.4 per cent in 1972, and 14.5 per cent in 1973. Agriculture has strategic importance in Tunisian economy. Engaging 50 per cent of labour force, it is a major export earner. Agricultural products accounted on the average for 36.6 per cent of total merchandise exports between 1969 and 1972, but this ratio fell to 25.7 per cent in 1973.

Industrial sector, comprising mining, energy, manufacturing, construction and public works, accounted on the average for 22.2 per cent of real GDP at market prices during the Third Development Plan. This proportion showed almost no fluctuations during the four-year period. It was about 23.7 per cent in 1973. The largest branch in industrial activity is manufacturing, with an average share of more than a third in total industrial production. Next in importance are construction and public works, contributing about 35 per cent to output in 1973. The proportion of the energy branch, which includes crude petroleum, fluctuated between a fifth and a fourth of the value added of the industrial sector.

The Fourth Plan envisages an average annual growth rate of real GDP of 6.6 per cent based on the exceptionally high level of 1972. Calculated on the basis of averages, GDP during the Fourth Plan is expected to exceed the level attained during the previous plan by 40 per cent, which corresponds to

an annual growth rate of 8.8 per cent.

Over the period 1970-74, economic growth was about 9 per cent per year.

Within the overall development strategy, the new programme of regional and rural development will be expanded and strengthened parallel to the harmonization of export oriented growth with a better income distribution. This is in line with the Fourth Plan (1973-76) and the broad objectives of the "Perspective decennales" for economic development, designed to meet the economic demands of the dynamic Tunisian society. The encouragement given to the private sector to finance development projects, through frequent and flexible use of monetary instruments and appropriate exchange rates, had been helpful.

Tunisia has also concentrated its development efforts on tourism which is a major industry in its own right.

TURKEY

Basic data

Area	305,000 Sq. miles
Population	41 million – Growth rate 3.3 %
Capital	Ankara
Important Cities	Istanbul, Izmir, Adana, Gaziantep, Bursa
Language	Turkish
Climate	Hot dry summers Temperature 40 F to 90 F.
Currency	Lira 13.85 = I U. S. $

General Economy

Turkey has an area which is 6 times as big as Greece. Much of the country is high. Turkey is known for its famous rivers. Import of cars is banned. Oil position is quite comfortable.

Gross National Product U. S. $ 12,160 million

Per Capita Income U. S. $ 340

U. S. $ million

World Trade	(Exp)	885		
	(Imp)	1508		
		1972-73	1973-74	1974-75
Trade with Pakistan	(Exp)	0.1	0.3	0.6
	(Imp)	6.0	2.0	2.1

TURKEY

Turkey is situated astride two continents between 42 06' and 35 50' North latitude and 44 48' and 35 40' East longitude. It has an area of 305,245 square miles, nearly six times as big as of Greece with all its islands. Less than 10,000 square miles of this is in Europe, in the part called Eastern Thrace (Trakya) which is separated from the larger part on Asian side, that is Anatolia or Asia Minor (Anadolu), by the waters of Dardanelles, the sea of Marmara and the straits of Bosphorus.

There are some well-known rivers. The head waters of Tigris and Euphrates are in eastern Turkey and these rivers run for hundreds of miles through Turkey before they reach the fertile crescent.

Planned development in Turkey dates back to 1962, when the State Planning Organisation (SPO) was set up and given the task of drawing up five-year development plans. The First

Plan (1963—1967), aimed at a growth rate of 7 per cent p. a. The rate achieved was in fact 6.7 per cent. The Second Five-Year Plan (1968-1972) aiming at a growth rate of 7 % achieved a rate of 6.9 %. The target set by the Third Plan (1973-1977) is to attain a growth rate of 8.6 per cent.

Indeed, in certain areas where target shortfalls were considerable, small but significant progress was made. For instance, the public birth-control programme reached less than one-fifth of target females form 1965-68, yet its introduction had been a major achievement, since before then sale of contraceptives was illegal. The "balanced regional development" to which the Plan aspired came nowhere near fruition, but detailed studies were commissioned to provide the necessary information for future regional policy. Another important achievement: the progress made in reducing idle capacity in industry.

The F F Y D P strategy had two basic elements: (i) the co-existence of public and private sectors in a "mixed" economy, and (ii) progressive import substitution at an overvalued exchange rate.

However, the main immediate source of trouble was the need for foreign exchange to finance the investment programme associated with the import substitution policy. In both the First and the Second (1968-72) Plans, this necessitated steady growth in export earnings and receipt of the foreign aid budgeted for in the Plan. However, Turkey selected the aid targets, while the donors, subsequently supplied only part of the aid requested. During the F F Y D P, the consequent shortfall was made up by the receipts of remittances from workers abroad. But since the Second Plan programme presupposed receipt of such remittances, they could no longer be used to rescue Turkey from foreign exchange difficulties. As the trade deficit widened during the Second Plan, aid forthcoming fell and dependence on remittances increased, Turkey had to devalue its official exchange rate by

two-third and to initiate a more export-orientated development policy,

The Third Five-year Plan provides for a total growth of 46.2 per cent in the national income. Traditional agricultural methods of production are to be supplemented by the use of technology, and the contribution of industry to the national income is to increase from 16.3 per cent in 1967 and 23 per cent in 1972 to 27 per cent in 1977.

Agriculture remains the main source of national income. As a result, weather conditions continue to cause fluctuations in national income figures. An important labour problem concerns the employed Turkish workers abroad. By mid 1970 their number approached 450,000, some 90 per cent of whom were employed in Western Germany. Efforts have been made to put to productive use the savings made by these workers, and limited companies formed for this purpose have proved successful. Workers' remittances from foreign countries constitute an important source of foreign exchange for the Turkish Treasury. In 1969 these remittances exceeded $ 140 million and in 1970 $ 273 million.

UNITED ARAB EMIRATES

Basic data

Area	32,000 Sq. miles
Population	0.4 million – Growth rate 3.1 %
Capital	Abu Dhabi
Important Cities	Seven members—Abu Dhabi, Ajman, Dubai, Fujayrah, Ras al Khayman, Sharjah and Umm al Qaywayn
Language	Arabic
Climate	Hot and humid. Rain-fall infrequent.
Currency	Dirham
	Gold content of dirham is 0.186621 gram of fine gold, equal to SDR 0.21, U. S. $ 0.253.

General Economy

Gross National Product		$ 830 million
Per Capita Income		U. S. $ 3,220
World Trade	(Exp)	226.6 million SDRs
	(Imp)	457.4 „ „

U. S. $

Trade with Pakistan		1972-73	1973-74	1974-75
	Abu Dhabi			
	(Exp)	3.7 m.	10.0 m.	18.1 m.
	(Imp)	0.5 m.	0.1 m.	12.7 m.
	Dubai			
	(Exp)	10.5 m.	0.8 m.	30.0 m.
	(Imp)	20.0 m.	1.7 m.	12.0 m.

UNITED ARAB EMIRATES

The UAE federation was proclaimed as an independent state on December 2, 1971; it has seven members: Abu Dhabi, Ajman, Dubai, Eujayrah, Ras al Khaymah, Sharjah and Umm al Qaywayn which lie along the Trucial coast (formerly called the Pirate Coast). Ras al Khaymah joined in February 1972.

In addition to the native population there are many workers from other Arab countries: Africa, India, Pakistan and Iran. The UAE became the eighteenth member of the Arab League on December 6, 1971. Three days later, it became the 132nd member of the United Nations.

The oil operating companies in Abu Dhabi are Abu Dhabi Petroleum Company (ADPC) and Abu Dhabi Marine Areas (ADMA); in both of these the state possesses a 60 per cent stake operated by Abu Dhabi National Oil Company.

Oil production in Abu Dhabi increased by 24 per cent in 1973 over 1972 figures (62.50m. tons compared with 50,40m. tons in 1972); production increased by a further 8.8 per cent in 1974-an average of 1,400,000 barrels a day. Production dropped drastically at the beginnig of 1975 but it is again picking up after cuts in price of crude.

Dubai is the second major oil exporter and the Dubai Petroleum Company, a subsidiary of Continental Oil, is the sole producer.

There are hopes of making many more oil discoveries in Dubai; so far, the main oil producing fields are the Fateh field (6 miles offshore) and the South-west Fateh. Exploratory drilling is continuing at Dubai's third field of Rashed.

The United Arab Emirates has two criteria for giving aid: first the development of the Arab world and, secondly, the needs of the rest of the Third World. The UAE is known for its generosity in providing this aid, which in 1974 amounted to 16 per cent of the gross national product. Loans and aid of some $ 700 m. were disbursed.

There are two main channels for provding this aid: the Abu Dhabi Fund for Arab Economic Development (ADFAED) formed primarily to extend aid to needy Arab countries and in particular to the "confrontation states". Its scope has now been widened to include African and Asian countries with general development difficulties.

The Abu Dhabi Investment Board is the medium through which investments are made in industrialized countries. The criterion for such investments is that prospects exist for a satisfactory return on capital. Other economic ventures consist of joint ventures whereby western technology may be harnessed with Arab money to the mutual benefit of both parties concerned.

Efforts are being made to diversify the economic base and establish secondary industries, most of which are oil-based, to complement the export of crude oil witn petrochemical and refined petroleum products.

Apart from these industries based on raw materials, the only other notable expansion is in the construction and cement

industries, the former because of widespread public service projects and the latter because of plentiful raw materials. There are hopes of mineral-based industries, but most of the Emirates have not been geologically surveyed.

Current project include: an oil refinery in Abu Dhabi and the nationalization of the petroleum distribution network; A $ 50 m. oil refinery being built on an island near the town of Abu Dhabi; it will have a capacity of 15,000 barrels a day but will be large enough only for domestic use. It may be expanded or a far larger refinery may be built.

There are three major gas-based projects. A gas liquefaction plant on Das island, 100 miles off the mainland (jointly owned by Abu Dhabi, B P, a French firm and a Japanese banking consortium; expected to be completed by 1976 at an estimated cost of Dol ar 420 m,. with a daily output of 500 cubic metres of liquefied natural gas). A natural gas liquids plant in Abu Dhabi (to supply propane and butane for domestic use; construction is not complete but sulphuric acid is being produced to treat seawater). In Dubai a $ 120 m. gas processing plant with an export capacity of 700,000 tons a day is planned, with production to start in 1977 (it should provide 80 million cubic feet a day of dry gas and 20,000 barrels a day of natural gas liquids, propane, butane and condensate).

Other projects include a coastal estate in Abu Dhabi, cement plants in four Emirates, a flour mill in Abu Dhabi, steel plants in Abu Dhabi and Dubai and an aluminium smelter in Dubai.

Huge strides have been made in the development and expansion of telecommunication systems in the Emirates. At present there is one single overall telecommunications authority supplying the needs of all the Emirates: the main company operating there is International Aeradio Ltd (IAL), originally

formed to supply airline communication needs. It has a subsidiary, the Abu Dhabi Telegraph and Telephone Co. which provides both internal and telegragh services in the Emirates.

The problems Abu Dhabi has been facing, in common with other oil-exporting nations, include the rapidly rising prices of captial goods, the need to import substantial amounts of food and the severe labour shortage.

Fishing was once the major livelihood of the Gulf States. Fish consumption is still high and it is the only item of food which is not imported.

RELATIONS WITH PAKISTAN

The UAE is at present assisting Pakistan in the establishment of a number of joint ventures including an oil refinery, fertilizer plant and live-stock-cum-vegetable farm. Similarly Pakistan has provided technical and other assistance to the UAE in setting up a steel rerolling mill at Abu Dhabi. Training facilities have been provided to the UAE students for specialising in various fields in the institutions of higher learning in Pakistan. Furthermore the Government of Pakistan has provided the services of a large number of Pakistani experts, technicians and workers to participate in the national development effort of the UAE.

Besides co-operation at Government level, there has been a marked progress in the development of mutual relations in the private sector. A number of Pakistani enterprises are planning to install heavy industries in the UAE on a joint venture basis. In short Pakistan - UAE relations are the closest possible, be it trade, culture or economic ventures.

UGANDA

Basic data

Area	91,000 Sq. miles
Population	11.2 million – Growth rate 2.8 %
Capital	Kampala
Important Cities	Bugisu, Bukedi, Busoga, Toro. Mengo Lango.
Language	English
Currency	Uganda Shilling 7.14 = I U. S. $

General Economy

Nearly 86 per cent of its population is engaged in agriculture which contributes about 55 per cent of GDP. Cotton and Coffee are the principal exports. Among mineral resources, copper constitutes the most important item of export. Other principal minerals are blister, copper and cement.

Gross National Product	1,560 m.		U. S. $
Per Capita Income	150		
World Trade	(Exp)	261 m.	
	(Imp)	114 m.	
Trade with Pakistan		Exp.	Imp.
	71-72	366,000	20,000
	72-73	254,000	29,000
	73-74	189,000	3,000
	74-75	175,000	15,000

UGANDA

Uganda's gross national product expanded by just over 3 per cent in 1970, bringing the average annual rate of growth over the first four years of the 1966-71 Development Plan to 4.8 per cent. This latter figure was however boosted by an exceptional rate of growth in 1969 (10.8 per cent) and performance in 1970 compared favourably with the growth of the economy in both 1966 and 1967. Nevertheless on present indications it was doubtful whether output will have shown a similar improvement in 1971 and the subsequent years.

A major factor contributing to the slower growth of output in 1970 was a 20 per cent decline in coffee production following a particularly large crop in 1969 although cotton, tea and sugar production all recorded increases. In the case of cotton, a 10 per cent rise in output was partly the result of an increase in the prices paid to growers in 1969 and partly the introduction of higher-yielding seeds, while tea and sugar production both increased by about 3 per cent over 1969 levels.

A fall in world copper prices in 1970 reduced the value of Uganda's mining output by 6 per cent to U. Shc. 168 million, despite an increase in the volume of blister copper production.

Uganda's overseas trade balance improved substantially in 1970 as a result of an increase of 20 per cent in export receipts, whereas imports declined by 5 per cent. The substantial rise in exports was largely attributable to a 30 per cent rise in the value of coffee shipments which benefited from a high level of world prices throughout the year.

Coupled with the increase in the surplus on overseas trade, Uganda's deficit on inter-community trade with Kenya and Tanzania was also reduced in 1970, following 29 per cent increase in exports to Kenya. As a result the country's overall visible surplus increased by 90 per cent to U. Shs. 784 million.

In other sectors of the economy, building activity increased in 1970 while the tourist industry also expanded moderately, with the number of visitors increasing by 5 per cent to 78,000 and gross earnings by 2 per cent to U. Shs. 130 million. However it is likely that both tourist arrivals and earnings fell in 1971.

The rate of inflation fell slightly in 1970 to 9 per cent (12 per cent in 1969), while the rate of growth in the money supply accelerated (by 13 per cent as against 9 per cent). By far the greater part of this acceleration was a 23 per cent rise in domestic credit extended by the banking system.

Although it is now clear that the economy failed to achieve many of the production targets of the 1966-71 Development Plan, considerable progress has been achieved over this period towards its other principal objectives, namely, broadening of the economic structure of the country.

UGANDA

A new 5 year Plan has been launched and although full details are not available, reports indicate that annual rate of economic growth of around 6 per cent is considered feasible in the period up to 1976.

The Plan is also understood to envisage a more rapid development of markets, especially export markets, and stresses the importance of maintaining a healthy balancne of payments position. Total investment over the 5 year period is expected to amount to some U. Shs. 7,000 million (including U. Shs. 4,700 million public sector investment) and it is planned to finance about 60 per cent of the public sector programme from domestic sources and to encourage foreign investment.

YEMEN

Basic data

Area	75,000 sq. miles.
Population	6.5 million — Growth rate 2.2 %
Capital	San'a
Important Cities	Hodeida. Ta iz. Yerim. Dhamar
Currency	YRLI = U. S. $ 0.22

General Economy

The Economy is fundamentally agricultural. In areas where water is available, millet is grown as a subsistence crop. The traditional cultivation of coffee continues. Cotton is grown in the Tihama, the coastal belt. Fruit is plentiful, especially fine grapes.

Gross National Product	$ 290 million			
Per Capita Income	$ 100			U. S. $ million
		1971	1973	1974-75
World Trade	(Exp)	6.4	7.4	10.4
	(Imp)	72.1	130.0	209.2
Trade with Pakistan	(Exp)	2.3	1.0	1.4
	(Imp)	3,000 $	143,000 $	0.2

YEMEN

The economy of the Yemen Arab Republic experienced impressive growth in 1974-75 following some decline in real output in each of the preceding two years caused by severe droughts which adversely affected agricultural production in both years. The growth, estimated at 25-30 per cent in real terms, reflected record agriculural crops and continued rapid expansion in construction activity, trade, industry and services financed by substantial remittances from Yemenis working abroad. The prospects for 1975-76 are for a growth rate of 6-8 per cent in real terms based on an expected small increase in agriculural production and continued rapid growth of the other sectors.

The decline in economic activity in 1972-73 and 1973-74 was accompanied by a high rate of monetary expansion leading to increased inflationary pressures. These pressures were intensified by shortages induced by the drought conditions and by the higher prices of imports, particularly of foodstuffs.

Monetary expansion accelerated sharply in 1974-75 resulting in a further buildup of demand prices.

The persistence of budgetary imbalance has its roots in the limited revenue base while the demand for increased expenditures on government services and institutions have continued to rise.

Since 1973-74 the inflow of external official aid has been large enough not only to finance the budget deficits, but also to

enable the Government to improve significantly its cash position with the banking system.

The Yemen Arab Republic's balance os payments is characterized by a large and widening deficit on merchandise account (exports cover only about 5 per cent of imports), which is sustained by inflows of remittances from Yemenis working abroad and receipts of substantial external official assistance. The balance of payments has been in surplus since 1970 due to substantial and rising receipts from these sources, particularly remittances from expatriate Yemenis. As employment opportunities and wages in neighbouring oil producing countries increaseed substantially in the last two years, the number of Yemenis working in these countries rose sharply and their remittances have become the major source of foreign exchange earnings financing most of private imports in 1974.

The expansionary impact of the private sector operations intensified in 1974-75 due in part to the acceleration in the growth of credit provided in the banking system (64 per cent in 1974-75 compared to 37 per cent in 1973-74). Moreover, the rise in private imports and other external payments was not large enough to offset the sharp increase in remittances from Yemenis abroad and in other receipts. The expansionary impact of private sector operations accounted for about two thirds of the liquidity expansion in 1974-75.

In the two years ended June 1974, GDP in real terms declined somewhat but liquidity rose by over two third. In 1974-75, while domestic liquidity rose by 56 per cent, real GDP was estimated to have risen by less than 30 per cent. This would suggest that, even after allowing for monetization of the subsistence sector, monetary expansion was well in excess of the requirements of the economy, resulting in pressures on domestic resources and a sharp increase in prices as evidenced by the ris in the cost of living index.

There was a sharp increase in the overall payments surplus from about SDR $ 22 million in 1973-74 to SDR $ 93 million in 1974-75.

Balance of payments estimates for 1975-76 prepared by the YAR indicate a small increase in the overall payments surplus to about SDR $ 100 million. While the trade deficit was projected to widen further due to a 25 per cent increase in imports, this would be more than offset by an increase in receipts from remittances, other invisibles and from grants.

Following setbacks in 1972-73 and 1973-74 related to drought conditions economic activity rebounded shraply in 1974-75 due to record agricultural output and continuing growth in the other sectors.

The favourable performance in 1974-75, however, was accompanied by an acceleration in the rate of monetary expansion which resulted in a further buildup of demand pressures leading to a substantial increase in domestic prices.

Prospects for continued economic growth in 1975-76 are favourable, albeit at a much lower rate than in the previous year. Although the non-agricultural sectors are expected to continue their recent rapid growth, virtually no improvement in agricultural performance is expected over the record crop of 1974-75.

NAMES OF THE HEADS OF STATE/GOVERNMENT OF THE COUNTRIES OF THE ISLAMIC CONFERENCE

Afghanistan	H. E. Mr. Mohamad Daud Head of State and P.M. of Afghanistan.
Algeria	H. E. Mr. Houari Boumedienne, President of Algeria.
State of Bahrain	H.H. Shaikh Isa Bin Sulman Al Khalifa, Amir of Bahrain.
Republic of Chad	H. E. Mr. Francios Tombalbaye, President of Chad.
Arab Republic of Egypt	H.E. Mr. Anwar El-Sadat, President of Egypt.
Guinea	H. E. Mr. Ahmed Sekou Toure, President of Guinea.
Indonesia	H. E. General Soeharto, President of Indonesia.
Iran	His Imperial Majesty Mohammad Reza Pahlavi Aryamehr, Shahanshah of Iran.
Jordan	H.M. King Husain bin Talal, King of Jordan.
Kuwait	H. H.Shaikh Sabah Al Salem Al Sabah, Amir of the State of Kuwait.
Lebanon	H. E. Mr. Takiedin El-Solh, P.M. of Lebanon.
Libya	H.E, Col. Muammer El Qaddafi, Chairman of the Revolutionary Council and Supreme Commander of the Libyan Armed Forces.
Malaysia	H.E. Tun Abdur Razzak, P.M. of Malaysia.
Mali	H.E. Col. Moussa Traore, President of Mali.
Mauritania	H. E. Mr. Mokhtar Ould Daddah, President of Mauritania.

Morocco	His Majesty King Hasan II, King of Morocco.
Niger	H.E. Mr. Elhaje Diori Hamani, President of Niger.
Oman Sultanate	H.M. Sayyid Qaboos bin Said, Sultan of Oman.
Pakistan	H.E. Mr. Zulfikar Ali Bhutto, P.M. of Pakistan.
State of Qatar	H.H. Shaikh Khalifa Bin Hamad Al Thani, Amir of Qatar.
Saudi Arabia	His Majesty King Faisal Bin Abdul Aziz, King of Saudi Arabia.
Republic of Senegal	H.E. Mr. Leopold Sadar Senghor, President of Sengal.
Sieria Leone	H. E. Dr. Siaka P. Stevens, President of Sierra Leone.
Somalia	H.E. Mojor General Mohamed Siad Barre, President of Somalia.
Sudan.	H.E. Major General Gaafar Mohammed Nimeri, President of Sudan.
Syria	H.E. Mr. Hafez Al-Assad, President of Syria.
Tunisia	H.E. Mr. Habib Bourguiba, President of Tunisia.
Turkey	H.E. Mr. Fahri S. Koruturk, President of Turkey.
United Arab Emirates.	H. H. Shaikh Zayed Bin Sultan Al-Nayan, President of the United Arab Emirates and Ruler of Abu Dhabi.
Yemen Arab Republic	H.E. Qadi Abdul Rahman El-Iryani, President of Yemen.

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